

NOMINATION OF ROBERT M. GATES

HEARINGS
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED SECOND CONGRESS
FIRST SESSION
ON
NOMINATION OF ROBERT M. GATES, TO BE DIRECTOR OF CENTRAL
INTELLIGENCE

OCTOBER 3, 4, 18, 1991

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NOMINATION OF ROBERT M. GATES TO BE DIRECTOR OF CENTRAL INTELLIGENCE

THURSDAY, OCTOBER 3, 1991

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Select Committee met, pursuant to notice, at 9:54 a.m., in room SH-216, Hart Senate Office Building, the Honorable David L. Boren, Chairman of the Committee, presiding.

Present: Senators Boren, Nunn, Hollings, Bradley, Cranston, DeConcini, Metzenbaum, Glenn, Murkowski, Warner, Danforth, Rudman, Gorton, and Chafee.

Also Present: George Tenet, Staff Director; John Moseman, Minority Staff Director; Britt Snider, Chief Counsel; and Kathleen McGhee, Chief Clerk.

Chairman BOREN. If Members could be seated, we will commence in just a moment. For the benefit of Members and staff in terms of planning, we will have the nominee as our witness today and we will go until approximately 12:30 or 12:45. We will then have a recess for approximately 1 hour and 15 minutes before resuming this afternoon. We went until 11:30 last night. You can more or less determine by looking at the Members of the panel, the audience and the media, who was here with us until 11:30 last night and who got a good night's sleep. It's not my plan to keep the Committee past 6:00 o'clock today. If we do not complete by that time today, we will resume in the morning with the nominee. Following the nominee's testimony in open session, we will go into closed session for any questions of a classified nature to the nominee and also to complete in closed session our briefing of the Members on the issue of the collection of intelligence involving Members of Congress and Congressional staffs.

Over the past several days, the Committee has made a comprehensive evaluation of the qualifications of this nominee to head the Central Intelligence Agency. As we began this process, it was with the understanding of both the nominee and the Members of this panel that this is a decision of historic importance for us. With all of the changes going on in the world and with the need to reshape our thinking to coincide with those changes, the next Director of Central Intelligence faces a great challenge to marshal the best technical and intellectual assets of this country to serve policymakers with the best flow of information possible on which to make these crucial decisions. They will prepare our country for the next century. In many ways, upon the quality of that information will

rest the quality of those decisions which will have much to do with determining whether or not this country is ready to continue a leading role in the world as we go into the next century.

So we have all been mindful of the very serious responsibility which the Members of this Committee have. It is a responsibility that is far more important than any political considerations, any partisan considerations, or any personal considerations. It is a responsibility to the country. And as I indicated, my hope was when the work of this Committee is completed on this matter that all of those who have watched these proceedings would use three terms to describe what we had done in the course of our work. Those three words would be: fair, thorough, and non-partisan. The goal of this Chairman, whatever the outcome is on this nomination, is still that the work of this Committee will be evaluated in those terms.

We have also hoped to use these hearings as a way of beginning an important public debate about the future of American intelligence. The American taxpayers pay for the intelligence budget. I believe that over the last several days, they have probably learned as much both about the strengths and the weaknesses of the American intelligence operation from these hearings than perhaps has been available to them over the past several decades. I think we've learned a tremendous amount and have been able to share with the public a tremendous amount of information about the Intelligence Community.

To be sure, there have been some problems that have been aired and there have been some areas that have been identified as needing improvement. But we have also seen people come before us of tremendous capability, talent, intellectual strength, and dedication to their country. So I think the American people, while seeing some of the problems with the Intelligence Community, have also gotten to glimpse both the talent and dedication of many who serve. Their contributions are often not able to be aired with the American people because of the very nature of the intelligence business. The successes often are never known to the public. Those of us who sit around this table often have the frustration of not being able to tell the American people about acts of bravery and courage and dedication on the part of those who serve in the Intelligence Community, because those actions of necessity have to remain secret.

So we have learned a lot. And I would say to the nominee we have identified even more clearly the challenges that will face the next Director of the Central Intelligence Agency. The Committee is dedicated to working with the next Director to make some of these improvements as we go toward the next century.

One of the words that I would hope we would use is the term fair in describing these hearings. And it is important both for fairness and thoroughness that we invite back, to close the public part of these proceedings on the nomination, the nominee himself. Over the last several days, some serious questions have been raised. Questions have been raised with even greater intensity than they were before the proceedings began, that need to be answered and addressed.

There are other issues that have arisen in the course of testimony of the various witnesses that need to be clarified. So from the

point of view of the Members of the Committee, there are serious questions that we want to ask and answers that we want to hear.

From the point of view of being fair to the nominee, as I am sure that he has been more than a casual observer of these proceedings, there are undoubtedly some things that have been said in the course of the testimony that he would wish to have the opportunity to answer and to give his own point of view about some of the testimony that has been given.

I think in fairness he should be afforded that opportunity. So it has always been our plan and I think events have proven it to be a sound plan to both open these hearings by asking the nominee to testify before us and to give his statements to us and to close these proceedings in the same way.

Let me say that following an opening statement by the nominee, we will then have questions in 20 minutes segments from Members of the Committee in order of their arrival today. The Chair will impose that time limitation upon himself and the Vice Chairman as well as all Members of the Committee.

We will operate in that order with one exception. We will begin the questioning before the Vice Chairman and I ask our questions with Senator Glenn because in the earlier proceedings Senator Glenn was not able to have his first round of questions with the nominee. This will be his initial questioning and I know Members will understand that. Senator Glenn deferred to others on the Committee at that time to accommodate their schedules. So I will allow Senator Glenn to begin the questioning today.

Senator MURKOWSKI. Mr. Chairman, if I may just make a very short remark with regard to the manner in which you have conducted these hearings. I think without question every Member of the panel is absolutely committed to the precepts which you laid down that the hearings be fair, thorough, and non-partisan. And I think you have made every effort to respond to each Member's wish with regard to accommodating various requests, whether they be for time for questioning or requests for witnesses. Speaking for, I think, all of us, we very much appreciate the commitment you have to establish a complete and open record before the American public. And as we have noted for some time, we have had witnesses that we knew were coming before us that would be both supportive of the nominee and that would not.

And I think it was rather interesting last night, it was rather late, nearly 11:30 when questions were asked of two of the favorable witnesses, Mr. Gershwin and Mr. MacEachin, with regard to the point that indeed they, as professional analysts, were in a position to give to the Committee a procedure on how the Committee should analyze the favorable and unfavorable information before us. It was rather interesting. They said they have a kind of check list that they go down, and the items that stood out in my mind, were firsthand knowledge, evidence, and disregarding the hearsay.

So I think, Mr. Chairman, this Committee, is in the position of being the analyst weighing the evidence before it. It's no small task by any means, but it certainly is an appropriate obligation that we all have.

I thank the Chair.

Chairman BOREN. Thank you very much Senator Murkowski. Thank you for your kind comments. We are going to proceed on the basis of being as thorough as we can and I would repeat again that the witnesses have represented a wide spectrum of views and have all come at the invitation of the Committee. The plans for the hearings have been developed by Committee staff representing all 15 Members of this Committee, a 15 member staff planning committee. We have endeavored to be balanced and to present all points of view in bringing in witnesses, the preparation and release of documents to the Committee. The Agency has also been very cooperative with us in terms of declassifying to the maximum degree possible the record so that it could be released to the public.

With those opening comments, Mr. Gates, let me welcome you again back to the Committee. We appreciate your being with us this morning. We look forward to hearing your testimony. I know full well, because of your previous work with this Committee, that you understand our responsibilities and the process through which we're moving. We're anxious to have any comments that you might want to offer on what you've seen, heard or read of the testimony and issues you think need to be clarified. Then we'll address our questions to you in terms of those issues that are important to Members as they have reviewed the testimony over the last several days.

I would indicate to you that you are, of course, still under oath from your previous oath so that your testimony today will be sworn testimony. Again, we welcome you and your opening comments at this time.

Mr. GATES. Thank you Mr. Chairman. I think one of the lessons that the Committee has—

Chairman BOREN. Could I ask the photographers please to clear the well?

TESTIMONY OF ROBERT M. GATES NOMINEE TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. GATES. I think that one of the lessons the Committee has already learned is that one thing all analysts have in common is some difficulty with brevity. And I will say that today I appear before you in substantial measure as an analyst and I'm afraid I will be guilty of the same crime.

What I would like to do today is set forth my views in three areas. The first is the environment in which we were operating in the Directorate of Intelligence in the first half of the 1980s and the circumstances that prevailed and the objectives of what we were trying to accomplish.

In the second part, I would like to take direct issue with many of the allegations that have been made and refute them.

And third, having watched at least some of these hearings, I would like to offer my suggestions on ways in which I think that some of the perception problems, and to the degree there is a real problem with politicization, can be addressed in the future.

I've watched and listened and read with some dismay as well as some pain and anger during recent days the discussion here of slanting intelligence. I'm saddened that these proceedings, except

by happenstance, have not shined a brighter and deserving light on the many hundreds of extraordinarily capable, talented analysts who work so hard day in and day out providing first rate and absolutely honest intelligence to our government. These dedicated people of great integrity are owed a huge debt of gratitude by the American people for their service. And I think what we need to face here is that we're talking about how to make something that is good even better. One cannot but be discouraged by allegations of politicization so easily made, compared to the effort, specificity and evidence required to disprove them. Today you will get from me, at length, specifics and evidence and documents in refutation of the allegations. It is time to look at the documentary record compiled by those many analysts.

At the same time it is also discouraging to see that the old battles, the old problems, the strong feelings about management's role in the analytic process, and worry about politicization have not diminished in intensity even in the years since I've left the Agency.

Thus, at the conclusion, as I've suggested earlier I will have some specific proposals to try to bring improvement in this difficult and sensitive area.

The Committee's experience this last week with this subject of politicization in many ways reflects my own. This issue, as I indicated two weeks ago, has dogged American intelligence for decades. Indeed I included in my answers to your interrogatories a long message to all analysts that I wrote on politicization back in 1985.

The issue would come up repeatedly in my meetings with analysts and in training courses. Mr. Kerr, as my Deputy, and other managers at all levels grappled with it as well. Again and again, Inspector General reports and studies by the Directorate's Product Evaluation Staff found pockets of perceptions of politicization more often in the Soviet Office than elsewhere, but searched in vain for evidence of slanting in our products. Evidence of politicization was always elusive, but the perception was always a worry.

I'd ask analysts, when I'd go down into their work spaces to talk with them, if their work had been distorted. Ironically, many felt this happened more at the Branch and Division Chief level where drafts were first reviewed than higher up. But the answer was virtually always no.

But they had heard that that had happened for sure in the next branch over. And so I'd go over there. And I'd get the same answer. I must say that I regret that this seems to lie, somewhat at least, behind the views of my old friend and admired colleague, Mr. Ford, whose testimony suggests that he seems to have no complaint with me on areas where we worked together directly but that he had been persuaded by negative comments from others. And that saddens me.

No manager could or can afford to forget the possibility of politicization, because the perceptions themselves can affect morale and analytical courage. And so we worked hard at emphasizing integrity, investigating rumors, and reassuring analysts that they were right to be sensitive to the issue. Repeatedly we told them, tell it like it is. Don't sugar coat the pill.

I believe there are several causes for this perception of politicization. It's usually greater, for example, whenever people up the line

have strong views on substance. And I must say in the history of CIA that happens more often than not. When major changes in draft analysis come out of a review process it is understandable that analysts would be more inclined to blame them on an external source, such as political pressure, than on weaknesses in their own analysis or exposition.

No analyst who considers himself or herself to be the best informed person on a subject likes to be challenged. Analysts like to write on subjects they like, in the ways they like. And to be told that your specific subject, or the way you present it, is irrelevant to policymakers, or is not persuasive, is hard to swallow. It was for me as an analyst and it continues to be for analysts.

The much maligned review process takes the analysis of a single individual, challenges assumptions, asks questions and hopefully scrubs out the biases of the analyst as well as others at all levels, thus turning the draft of an individual into the official view of the Central Intelligence Agency or the Intelligence Community. The process can be rough and tumble. Most analysts do well in the give and take. But some do not. And some see in this process political pressure. And that's why we're here today.

I appreciate the opportunity this morning to respond to allegations that have been made about slanting intelligence. The issue goes to the fundamental ethic and the basic culture of intelligence. I grew up in that culture, I made that ethic—the primacy of honest, objective analysis—my own.

It was an extension of the values that I brought with me when I came to Washington, especially the part about telling it like it is and with the bark off. Thus, it is deeply disturbing to me to hear attacks, not just on my integrity, but by implication on that of many analysts, managers and leaders in CIA and the Intelligence Community.

Indeed, charges as have been made by at least one person before this Committee of a systematic, years-long effort to politicize and to corrupt the analytical process imply that former Deputy Directors Admiral Inman and John McMahon, the current Acting Director, Dick Kerr, the heads of all the other intelligence agencies and hundreds of analysts and managers in CIA, either acquiesced in it, ignored it, somehow missed it, or joined it. And that's ridiculous.

Moreover it ignores the many instances where we published assessments unwelcome to the Reagan Administration in areas such as arms control, strategic forces, Lebanon and countless others even more controversial and contentious than the Soviets in the Third World.

Before responding to specific allegations that have been made, let me set the scene for the period, 1981 to 1987, because mood and atmosphere are important to our discussion here. The early 1980s were a time of great turbulence for the Directorate. In the fall of 1981 then Deputy Director for Intelligence, John McMahon, ordered the most sweeping reorganization of the Directorate in its thirty year history.

The three offices of political, economic and military analysis were reorganized into several geographic offices, mixing skills to try and bring about long overdue multi-disciplinary or integrated intelligence analysis. So political analysts found themselves now

working for economists, or military specialists, and vice versa. For the first time in their careers the analysts found themselves working for people that they often felt did not understand their own analysis or particular skill.

In short, there was predictable, great disruption and a lot of unhappiness on the part of a lot of analysts who found their familiar worlds and surroundings turned upside down.

There were disruptive relocations of most people and offices. The Soviet office was even moved out of headquarters to a distant building with real and negative consequences for management and morale.

Now four months after all this happened, I came along, charged by Director Casey and Admiral Inman to improve the quality of analysis and prepare to implement far-reaching changes in the way we went about our business, for more intensive review of drafts, to bringing accountability to analysis.

Thus, not only did most people find themselves in different offices with different colleagues and new supervisors in early 1982, they now found changes in the analytic process itself. All of this meant that there were a number of unhappy analysts early in my tenure.

Unhappy about too much change from a comfortable, familiar past—a phenomenon not unknown in other institutions.

I was appointed to change things. To improve quality, productivity, and relevance. To make analysis more rigorous and intellectually tougher. To encourage alternative views. To rely less on assertion and to make more use of evidence. And to be more open about the level of confidence in our sources and in our judgments.

After much discussion, Admiral Inman and I agreed that I should announce all of these changes we intended at one time. And so I addressed all of the analysts and managers three days after I became Deputy Director for Intelligence.

That blunt speech set forth the problems we saw in CIA's analysis and the measures we intended to improve it. The speech set the stage, the agenda, and the tone for my entire time as DDI. While I will submit it for the record, and I have had it declassified, because it helps explain what we needed to tackle, I want to repeat just a little of it here.

The purpose of the speech was not just to criticize the past, but to put forward a blueprint for action, a series of specific steps to improve analysis. I focus here on the criticisms, and the expectations I set forth, so that you can appreciate the reaction the speech evoked.

I addressed the problems as follows. And I quote, from January 1982:

My assignments to the NSC and the White House under three Presidents of both parties and close association with two DCIs have shown me our senior readers' side of the fence. The perspective of the policymaker. And there I have seen analysis that was irrelevant or untimely or unfocused or all three. Failure by analysts to foresee important developments or events. Closed-minded, smug, arrogant responses to legitimate questions and constructive criticism. Analysts pretending to be experts who did not read the language of the country they covered, who had spent little, if any, time there, who were unfamiliar with its history or culture, who were oblivious to academic or private sector research on the country, and who argued that none of that mattered. Flabby, complacent thinking and questionable assumptions combined

with an intolerance of others' views, both in and out of CIA. A predilection to write history as opposed to looking ahead. Poor, verbose writing. A pronounced tendency to confuse objectivity and independence with avoidance of issues germane to the United States and policymakers. Research programs too often glued together on the basis of what interested the analyst or was already underway as opposed to senior level consideration of the key questions to be addressed. An analysis that too often proved inaccurate or too fuzzy to judge whether it was even right or wrong.

I continued.

While there have been some improvements, as an insider, and as one of you, I am obliged to tell you that from the standpoint of many of those for whom you write, our work has long been inadequate and still is not often held in high esteem. For those of you who did not read my article in *Studies in Intelligence* last year on the use of intelligence at the White House, let me commend to you the Presidential quotes at the beginning that are so critical of us over so long a time. To those quotes you may add current criticisms,

again, back in 1982,

from both of our Oversight Committees and a number of other former senior officials in both Republican and Democratic Administrations. The present Director and Deputy Director and both of their predecessors have been deeply concerned about the quality of the Directorate's work. Moreover, individual Senators and Representatives from both parties have complained about the substantive quality of briefings and presentations before them. Unfortunately, in all too many cases, their concerns and their criticisms are justified. Obviously, CIA's analysts are capable of and do turn out high quality work. But we also turn out work that is irrelevant, uninteresting, too late to be of value, too narrow, too unimaginative, and too often just flat wrong. In a business where being wrong just once can have enormous consequences for our national security interests, we have been too self-confident, too set in our ways, too arrogant, and too defensive in response to criticism, constructive and otherwise.

[The document referred to follows:]

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7 January 1982

REMARKS TO DDI ANALYSTS AND MANAGERS

I want to thank you for coming today and giving me an opportunity to describe to you directly my views on the Directorate of Intelligence and its work and the steps that the Director, Admiral Inman, and I have agreed would be helpful to improve its capabilities and the quality of its work.

Let me say at the outset, for those of you who do not know me, that I come from the analytical ranks. I began as an analyst in the Office of Current Intelligence and remained basically an analyst until I first went to the NSC Staff early in 1974. So I understand your problems and your perspective.

--I too have tried to cope with vague or ambiguous instructions.

--I have had drafts I sweated over sit in a branch or division chief's in-box for days or weeks.

--I have been pulled off of research to fight current fires.

--I have tried to write analysis knowing full well policymakers and sometimes my own leaders had and were not sharing information essential to my work.

--I too had to prove myself again and again to a rapid succession of branch and division chiefs.

--I saw first-rate work produced under adverse circumstances.

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--I saw the confusion produced by constant changes of leadership and organization, with changing priorities and missions.

--I also saw branch chiefs and colleagues with no area expertise or experience.

--I too had my peerless prose savaged by ranks of supervisors and editors.

--And I worked as an analyst for one or two people who seemed to acquire their management and interpersonal skills from Atilla the Hun instead of Dale Carnegie and the Levinson Seminar.

--And so on. The point is that most of the problems you face I also have faced (except the drive to and from Plaza Building).

On the other hand, my assignments to the NSC and White House under three Presidents of both parties and close association with two DCIs have shown me our senior readers' side of the fence (as well)--the perspective of the policymaker. And there I have seen:

--analysis that was irrelevant or untimely or unfocused or all three;

--failure by analysts to foresee important developments or events;

--closed-minded, smug, arrogant responses to legitimate questions and constructive criticism;

--analysts pretending to be experts who did not read the language of the country they covered, who had spent little if any time there, who were unfamiliar with its history or culture, who

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were oblivious to academic or private sector research on the country, and who argued that none of that mattered;

--flabby, complacent thinking and questionable assumptions combined with an intolerance of others' views, both in and out of CIA;

--a predilection to write history as opposed to looking ahead;

--poor, verbose writing;

--a pronounced tendency to confuse "objectivity" and "independence" with avoidance of issues germane to the US Government and policymakers;

--research programs too often glued together on the basis of what interested the analyst or was already underway as opposed to senior-level consideration of the key questions to be addressed;

--analysis that too often proved inaccurate or too fuzzy to judge whether right or wrong;

--and so on.

While there have been some improvements, as an insider and as one of you, I am obliged to tell you that from the standpoint of many of those for whom you write, our work has long been inadequate and still is often not held in high esteem. For those of you who did not read my article in Studies In Intelligence last year on the use of intelligence at the White House, let me commend to you the Presidential quotes at the beginning that are so critical of us over a long time.

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acquire Western technology and the nature of those efforts; we failed to anticipate the Egyptian decision to launch a war against Israel in 1973; we significantly misjudged the percentage of Soviet GNP allocated to defense; we have repeatedly misread Cuba; we ignored Soviet interest in terrorism; we have been far behind events in devoting resources to examining instability and insurgency; and that is not an exhaustive list.

My purpose in mentioning a few of these areas where we are properly perceived to have fallen short is not to cast blame or make you defensive, but to try to underscore for you the fact that there is great room for improvement in our performance and that there is justification for much of the outside criticism directed against us. Whether or not you believe these shortcomings exist, your most important consumers--and your Director, Deputy Director and I--believe they exist and see their manifestations every day. We must redouble our efforts to improve. We must act both to improve our performance and people's perception of the quality of our work. The first must precede the second.

As most of you know, until recently the DDI and then NFAC's response to most criticism--particularly in the political intelligence arena--was to make fairly circumscribed organizational changes. We also know that those successive limited reorganizations made little real difference in the way we do our business. However, I believe the large-scale reorganization this fall made a good start in beginning to get at some of our real problems. I strongly endorse the reorganization

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undertaken by John McMahon. I believe it was long overdue and makes a great deal of sense, even though I am aware it will take time to get and for the moves to be completed. From a substantive standpoint, it is a way to ensure that political, economic, and military analysts are sharing information and insights on a constant basis. From a bureaucratic standpoint, it makes our dealings with other agencies and even within our own Agency much simpler and more efficient. Because of the far-reaching nature of the reorganization undertaken last fall, I see no need for any further reorganization of our office structure. Nor do I see a need at this time to make any significant changes in the resource, personnel, or administrative management of the Directorate--though there will inevitably be some adjustments over time.

The time has come for us to concentrate our energies on improving the quality of analysis. Let me now outline for you the steps that I intend to take in the coming days to begin that effort:

1. Effective immediately, a minimum of a one-year rotational tour in a policy agency or non-intelligence consumer of CIA analysis will be required of all prospective and present DDI division chiefs. At the outset, we will obviously need to be flexible in view of the fact that so few prospective or present division chiefs now have such experience. I expect to begin the program with about 10 rotations each year and initially to administer it flexibly so that no one's career suffers unfairly. But be on notice: hopeful, prospective and present

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division chiefs had best begin planning when they want their rotation. Candidates will be selected by existing career service mechanisms. We have too few in DDI management who know firsthand how the policy agencies work and how they use our intelligence day in and day out. Managers cannot usefully guide analysts and understand consumer requirements themselves without such experience. By way of analogy, the DDI is supposed to design and build cars but too few managers here have seen one, ridden in one, or much less, driven one. This must and will change.

2. All DDI research programs will be reevaluated in the coming weeks. As part of the evaluation, each office will be expected to provide a report on research underway in other parts of the Intelligence Community on the subjects described in their research programs. They also will be asked to identify whether research on similar subjects is underway outside the US Government and, if so, where it is being done and whether the DDI has been in contact to determine the value of the outside work. The research program for each office will be evaluated in terms of relevance to the needs of the President and the National Security Council. Self-initiated projects that alert policymakers to issues that have not yet come before them but are likely to pose problems ahead will be continued. Building block research on important areas also will be identified and protected. Other projects likely will be pruned to free analysts

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for higher priority work. I will review the results with the Research Planning Steering Group.

3. You and your supervisors will be evaluated and promoted on the basis of the quality of your work. Each DDI office will be required immediately to develop and maintain a production file on each analyst whose primary job is research and writing. As you know, DDI branch and division chiefs often remain in one place for only a year or two. Too frequently, a proven analyst must "start over" each time he or she gets a new supervisor. The analyst production file will help ensure that an analyst's reputation does not rest on the recall of transitory chiefs. At the same time, the body of an analyst's work will assist new supervisors in quickly becoming familiar with their analysts' strengths and weaknesses--and targeting shortcomings for remedy. Additionally, the file will enable supervisors to gauge whether an analyst is getting better over time, as well as the overall accuracy and quality of his or her work. These too long have depended on supervisors' memories and impressions. This production file will circulate to members of career service panels when an analyst is being considered for evaluation, ranking and/or promotion. Evaluation of his or her production will be the primary element in consideration for promotion and for each analyst's annual evaluation. Quality, not quantity, will be the basis of evaluation. Analysts and managers, working together, will pull together a production file for each analyst for calendar year 1981 or further back as you wish, which will

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serve as the basis of the production file. These files will be maintained at the division level.

4. The Senior Review Panel is being transferred to a purely Intelligence Community role. In its place a DDI Production Evaluation Staff will be established. Consisting of [REDACTED] professionals, including perhaps one or two outsiders, this staff will be charged with reviewing specific DDI products, categories of production (e.g., current intelligence publications), office publications, and so forth. Their reports, accompanied by comments from the head of the component producing the evaluated material, will be forwarded to Evan Hineman and me. Evaluations will consider relevance, timeliness, quality of writing and presentation, innovativeness, imagination, and above all, accuracy. This Staff will be the DDI's own "junkyard dog."

5. Beginning this year, DDI analysts will be expected to refresh their substantive knowledge and broaden their perspective through regular outside training. This may be at a local university; courses sponsored by local institutes or think-tanks, or other arrangements to be approved by office directors. The DDI will pay the cost of this training. Each analyst will take academic courses for credit and the grade will be recorded in his personnel file for consideration at the time of evaluation. Within a year or two, when we can ensure the availability of necessary funds, each analyst will be required to take at least one three-hour course or its equivalent every two years. In the meantime, DDI will pay for as many such courses as we can afford and analysts who take advantage of such training opportunities

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will receive preferential consideration for travel, promotions, and in their evaluations.

6. A Center for Instability, Terrorism, and Insurgency will be established. This reflects my view that one of the principal challenges this country will face in this decade--as since 1975--will be Third World instability and Soviet exploitation of it. Instability, terrorism, and insurgency are related elements of this challenge and we cannot afford to slight them any longer. The existing terrorism unit will be incorporated in this Center. The Center will include a core unit for the study of instability. Because no one--no one--in the DDI is working on the general problem of insurgency, a small group also will be formed to work on this difficult problem. Those in charge of each of the three elements will chair directorate-wide working groups to ensure constant interchange between those examining the problems in a general sense and those analyzing them on a region-specific basis. The Center will work closely with the DDO.

7. Current intelligence publications will henceforth present information in two parts. Most stories will begin with a recitation of the facts as we know them. After the reader has been informed of the facts, each piece will have a "comment" section, which will contain DDI analysis of the factual information just presented. Too often there is confusion in the reader's mind between what is fact and what is analysis. Also, too often the present format allows the recitation of facts to pass for analysis and disguises the dearth of the latter in a

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piece. There will be more emphasis on including in each item analysis of real value to the reader.

8. The title "National Foreign Assessment Center" led to confusion on the outside whether we were part of CIA and what our role was. It differentiated us from the other directorates in CIA and implied we were somehow detached from them. As I announced on Monday, the title "National Foreign Assessment Center" has been dropped and the directorate is once again the Directorate of Intelligence and is to be known, as in the past, as the DDI. The position DD/NFA also will be abolished, although I will continue to discharge some Community-wide responsibilities for production on behalf of the DCI.

9. Each office will be required to develop an aggressive program of contacts, conferences, and seminars on important subjects. Subjects of these meetings should correlate closely with each office's research program and should be intended to inform those in the office associated with such projects of the views of experts outside CIA and the Intelligence Community. A schedule of such conferences and seminars will be prepared on an annual basis and will parallel the research program, although other relevant topics may be addressed. Similarly, the offices will be expected to develop a roster of outside contacts and consultants on each country or general subject area who will be asked regularly to review drafts and provide critical commentary.

10. The accuracy, relevance, and timeliness of each DDI product is the primary responsibility of the analyst and branch, division, and office chiefs. Until further notice, all draft

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intelligence assessments, research papers, Congressional briefings prepared for DCI/DDCI use, and typescript memoranda prepared for circulation to policy agencies will be provided to me for review before publication or dispatch. Those which are time urgent shall be so marked, with the deadline clearly indicated. Each draft will bear the name and initials of the analyst and approving branch, division and office chiefs--those who bear responsibility for its quality--and the dates the draft was received and forwarded to the next level. I expect managers to process drafts promptly and--although I know what I am letting myself in for--I assure you I will not hold any draft, even if not time sensitive, more than 48 hours. More urgent papers will be reviewed so as to meet deadlines. This is not to plague you with even more editors. Your office director and I will be reviewing drafts to see if they answer the right questions, are well thought out, are realistic, do all the work for us they can do, and are clear.

11. In an intelligence organization, it is essential that voices crying in the wilderness--those who hold unorthodox or minority views--be heard. Beginning immediately, any analyst who believes his office publications, Agency publications, or other formal channels are not addressing key substantive issues, problems or divergent views in his or her area of responsibility, is invited to send me a memorandum setting forth these concerns and alternative views. Such memoranda should be forwarded through the Office Director, but the Office Directors are obligated to send them to me. This is a serious undertaking for

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people with serious misgivings or concerns. I do not expect this opportunity to be abused with frivolous subjects or trivial disputes within organizations. This measure should help ensure that bureaucratic hierarchies do not limit the expression of serious views by experienced analysts. I personally assure you that no analyst will be penalized or suffer for taking advantage of this opportunity. Indeed, such conscientiousness should be welcomed. Let me just add that, in my view, this opportunity and other available channels provide ample recourse for those who believe their views are not being taken into account. There is, accordingly, no excuse for breaching discipline and carrying complaints to outside audiences while ignoring these internally available opportunities for redress.

As these eleven actions--and others which likely will follow over time--suggest, I intend to ensure that the primary focus of you and your managers is kept on the single purpose for our existence: to produce the best quality intelligence analysis available anywhere. That is my only goal. I expect analysts to know their subject--past, present, and future; to know the intelligence sources from which they derive information and how to use and task those sources properly; to know what outside experts are thinking about their subject; to master the tools of analysis including, for example and where appropriate, language and computer skills, and to be aware of the priorities of our policymakers. And I expect analysts to write accurately and congenitly. The steps I have outlined above are intended to direct all of our energies to that purpose.

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One of my great concerns is the growing bureaucratization of intelligence, including analysis. Dangers to good analysis include preoccupation with turf as opposed to quality and substance; the belief that we in this building have all the answers; and those who view this as just another humdrum office job.

My greatest concerns, however, are the dead hand of routine and intellectual arrogance, both of which impose a terrible price on us. No analyst sitting at the desk day after day reading FBIS and cable traffic and talking only to the same people can produce quality intelligence. Other agencies and outside experts in academe, business, and other areas have many insights and ideas to offer us. Our own DDO, and especially many chiefs of station are an underused resource for "ground truth." We must give the highest priority to ensuring a lively intellectual atmosphere, a questioning and creative spirit, and above all a sense of adventure. We are an intelligence organization. We are not an academic institution or faculty. Real policies and decisions actually affecting our national well being, are made daily on the basis of the work we do. Accordingly, we must be diligent searchers for information and insight--wherever we can find them--and then, in possession of all of the knowledge that reasonably can be obtained, we must lean forward, look into the future and tell our leaders what to expect. I repeat, we must lean forward and tell people what to expect. That is what we get paid for. Decisions almost always are made on imperfect information. There is never enough data. There will always be speculation and

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guessing as to consequences or future events. Far better for a DDI analyst with years of experience, familiar with the culture and society of a given area, aware of the latest information available both to Government and to the private sector, to make those forecasts and predictions than an exhausted senior policy maker lacking all the advantages of area knowledge, experience, and instinct.

I will close by suggesting to you, based on personal observation, that nowhere else in Government does one have the opportunity to address the major issues of our time and to speak so directly to those who govern our country as do CIA analysts. In no other agency do those in the trenches have such frequent and direct contact with the heads of their agencies and through them--and often directly--access to the most senior officials of Government. [The DDI has been through several years of turmoil. I hope we can now look forward to several years of organizational stability during which we can devote our energies to making this directorate the most highly respected analytical organization in the United States.] Our goal should be the realization on the part of people throughout Government and at all levels that if they have not talked to you or read your analysis, then they are by definition badly informed. We will have to earn that back.

I look forward to working with you to achieve that goal.
Thank you.

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Mr. GATES. Mr. Chairman, in the interest of time, I will pass over the specific measures I announced in that speech, although we can return to them if the Committee wishes at some point, except for one that in light of the current discussion I think is worth repeating. It was point eleven in that speech—

In an intelligence organization, it is essential that voices crying in the wilderness, those who hold unorthodox or minority views, be heard. Beginning immediately, any analyst who believes his office publications, agency publications, or other formal channels are not addressing key substantive issues, problems or divergent views in his or her area of responsibility, is invited to send me a memorandum setting forth these concerns and alternative views. This is a serious undertaking for people with serious misgivings or concerns. I do not expect this opportunity to be abused with frivolous subjects or trivial disputes within organizations. This measure should help ensure that bureaucratic hierarchies do not limit expression of serious views by experienced analysts. And I personally assure you that no analyst will be penalized or suffer for taking advantage of this opportunity. Indeed, such conscientiousness should be welcomed.

I concluded the speech with this paragraph:

As these eleven actions and others which likely follow over time suggest, I intend to ensure that the primary focus of you and your managers is kept on the single purpose for our existence: Produce the best quality intelligence available anywhere. That is my only goal. I expect analysts to know their subject, past, present and future. To know the intelligence sources from which they derive information and how to use and task those sources properly. To know what outside experts are thinking about their subject. To master the tools of analysis, including for example and where appropriate, language skills and computer skills. And to be aware of the priorities of our policymakers. And I expect analysts to write accurately and cogently. The steps I have outlined above are intended to direct all of our energies to that purpose.

Many analysts at the time were challenged by the speech and the program. Others were offended, resented the obvious intent to diminish their autonomy by involving Directorate managers at all levels in the substance and quality of the product, resisted further training or education, and greatly disliked the idea of accountability.

The principles I set out in January 1982 continued to be the principles I believed should guide our work. My top priority today would be the same as it was then. To produce the best quality intelligence available anywhere. And that, of course, must rest first of all on a foundation of objectivity and integrity.

Before addressing specific allegations of slanted intelligence, I want to speak about the subject area on which most of the allegations are focused—the relatively narrow area of Soviet policy in the Third World—and, I might add, that part of the Soviet office from which nearly all of the allegations before this Committee emanate.

CIA's work on this subject in the 1970's, in any view, and in the view of many policymakers in the Nixon, Ford and Carter Administrations, has been flabby. CIA's analysts missed the likelihood and significance in 1975 of the massive Soviet supply of military hardware to Angola, where it was married up with tens of thousands of Cuban soldiers.

The Agency missed similar developments in Ethiopia in 1977 and failed to foresee the invasion of Afghanistan in 1979. They downplayed the Soviet role in the flow of arms through Cuba to Central America. They obscured in the 1970's and early 1980's the reality that the Soviets were prepared to put at risk their relationship

with the United States rather than forgo opportunities in the Third World.

As one agency evaluation made clear, instruments of Soviet foreign policy such as covert action and disinformation were dealt with only in passing, and the seamy side of Soviet activity such as assassination or support for terrorism were avoided. The need for more rigorous work was evident. Surveys of users of intelligence suggested it was our weakest area.

Now let me turn to the specific allegations. My responses are based on those documents CIA has been able to provide for me in just a couple of days. I think they are sufficient. I might add that the documents do not reflect the dynamic nature of the analytic process. The constant debating, arguing and evolution of views that go on day in and day out and where no one's views are sacrosanct.

I apologize in advance that this may get a little tedious, but charges have been made that must be answered, specifically, directly, in detail, and honestly. This is not just, as some have said, an intellectual food fight among dueling analysts. This is about accuracy and fairness.

I've reviewed the substance of my remarks with agency officials to ensure that they are not classified. Now to the allegations.

One, I am alleged to have believed the Kremlin was behind the attempted assassination of the Pope in 1981, to have ordered a study with no look at evidence of Soviet non-involvement, to have rewritten personally the key judgments and summary removing all references to inconsistencies and anomalies, to have dropped the scope note advising that the paper made no counterarguments against Soviet complicity, and to have written a covering transmittal note, unknown to the authors, saying that the Soviets were directly involved and portraying my views as CIA consensus.

Now the facts. According to Mr. Lance Haus, the project manager, Kay Oliver, who was one of the drafters, and others, I told Haus that Casey was convinced of Soviet involvement in the assassination attempt, but that I was agnostic, and I expected him to be agnostic also. And that was the view I took before this Committee when I testified here in February of 1983. Mr. Haus acknowledges that he killed the scope note as no longer relevant and also that he wrote the transmittal letter—a letter which incidentally did not state unambiguously or any other way that the Soviets were directly involved. Indeed, the letter specifically says that questions remain and probably always will. Several participants recall that I was the one who urged adding the section of the paper pointing out the inconsistencies, weaknesses, anomalies and gaps in the case for Soviet involvement, and that I was worried about the need for greater balance. The same participants recall no orders from me or anyone on the seventh floor to build a case against the Soviets. Rather, the suggestion in light of new reporting was simply to look at the new evidence with a focus on the Bulgarian connection. I did not rewrite the key judgments. Based on the evidence, the allegations that I drove this paper to its conclusions and then knowingly misrepresented it to policymakers are false.

Two. It has been alleged that I introduced into Agency publications without supporting evidence that the Soviets used lethal chemicals in Afghanistan. In fact, as best we can reconstruct, there

was one item in the National Intelligence Daily in the late summer of 1985 suggesting this possibility. I was out of town at the time. The item was initiated by analysts in the Soviet office and I had nothing to do with it. The allegation is false.

Three. It has been alleged that I introduced into Agency publications without supporting evidence information portraying increased Contra successes between 1984 and 1986. In fact, I refer the Committee to National Estimate of February 1985, "Nicaragua: Prospects for Sandinista Consolidation," and another Estimate in March 1986, "Nicaragua: Prospects for the Insurgency." In the key judgment of both, you will find descriptions of serious Contra problems and forecasts of further declines in effectiveness and an unlikelihood of real improvement in Contra performance. Additionally, articles in the National Intelligence Daily during 1985 and 1986 continued to highlight Contra problems. The allegation is false.

Four. It has been alleged that I wanted an intelligence product that linked drug dealing and terrorists. In reality, we had heard outside experts contend this linkage existed, and I asked our people to look into it. Two major intelligence assessments—one in November 1983 and another in March 1986 and a National Estimate in 1985—all generally concluded that while there was some reporting of a narcotics dealer-terrorist connection, terrorist groups were not systematically involved in drug trafficking and were less likely to do so than insurgents. The allegations that I insisted on analysis linking the two is demonstrably false.

Five. It has been alleged that in response to my pressure in 1985 and 1986, Directorate publications in November 1985, January 1986 and May 1986 said that Iran's support for terrorism was down substantially and that Iran was becoming more pragmatic—all with a view to creating a climate for selling arms to Iran.

The facts are as follows: In November 1985, the publication of our Near East office, a publication by the office that I did not review as Deputy Director, said that if the Iranian radicals won in an internal power struggle, there would be an upsurge in Iranian-sponsored terrorism, which had dropped off substantially in 1985. A more formal assessment by our Near East office in January 1986 noted that direct Iranian involvement in terrorism reached a peak in 1983 and 1984, but since then had seemed less directly involved. The Terrorism Review, another publication I did not review, of January 13, 1986 clarified the picture by noting that while the level of Iranian-supported terrorism was high in 1985—high—the number of incidents directly linked to Iranian-supported groups dropped compared to 1983 and 1984. Finally, in May 1986 the Near East office published a major assessment noting the importance of terrorism as an instrument of Iranian foreign policy and that a more pragmatic leadership—at least temporarily—had reduced Iran's terrorist profile. It also observed that the level of Iranian-sponsored terrorism in 1985 remained high, even if below the record year of 1984. In sum, these and other publications during this period repeatedly stressed that Iranian-sponsored terrorism remained at a high level in 1985, and that Iran remained a major terrorist threat, particularly to the United States. The allegation that I directed an abrupt departure from previous DI analysis on this issue is false.

Six. It is alleged that in 1985 I wanted an Agency document to assert that Syrian, Libyan and Iranian support for state terrorism was coordinated by Moscow, and that over the objections of senior Soviet analysts I endorsed a National Estimate and a monograph by an independent contractor to accuse the Soviets of coordinating terrorist activities. The facts are quite different. I approved a proposal to have an outside analyst examine the idea that Syria, Iran and Libya were collaborating to harm U.S. interests, and that the U.S.S.R. was encouraging this. The drafter of the National Estimate on this subject was an experienced CIA analyst—not the outside contractor. That Estimate, a Special National Estimate issued in April 1985 entitled, "Iran, Libya, Syria: Prospects for Radical Cooperation," focused on the radical states. It documented increased efforts for cooperation among them on matters of common interests, pointed out the differences among them, and stated that the U.S.S.R. derived benefit from anti-U.S. activities of these three states even while recounting the drawbacks to the Soviets of getting too close to them. The Estimate reviewed what the Soviets would and would not do to support them, and the only intelligence agency to dissent was the State Department's Bureau of Intelligence and Research. The Estimate was carefully drafted to avoid overstatement and it was useful. The allegations about this Estimate are false.

Seven. It is alleged that I killed an Estimate draft in 1982 on the Soviets and the Third World, and another such paper in 1985. The facts are as follows. As Deputy Director for Intelligence, and in February 1982 only Deputy Director for Intelligence, I was in no position bureaucratically to kill an NIE. The Director, Deputy Director Inman, or the Chairman of the National Intelligence Council, Harry Rowan, were the only ones who could do that. On request, I read the draft, and I offered my reaction. That memorandum has been declassified. But let me just read you one excerpt to give you the flavor. This memo dated 14 February.

In sum, the Estimate is basically a snap shot with a great deal of detail on the problems and opportunities confronting the Soviets in the Third World. But what I find lacking is any sense of the change in the Soviet approach to the Third World over the last several years. And that pulls together for the policymakers something more than the specifics we've been feeding them for the last three or four years. Something that provides us a synthesis of what it all means in terms of larger Soviet imperatives and motives in that part of the world.

Now there was an NIE on the Soviets and the Third World. It was done in September 1984. And that Estimate cited in detail the constraints on and vulnerabilities of the Soviets. It stated that Soviet prospects would depend on factors beyond their control, some factors, and concluded that they would seek as vigorously as in past years to press their strategy of Third World penetration. There were no dissents. The allegation that I killed the 1982 draft to block analysis of constraints on the Soviets in the Third World is false.

Eight. It is alleged that I blocked a memo showing indicators of Soviet activity in the Third World either stagnant or declining—measures such as reduced ship days out of area waters, stagnant economic or military aid, and fewer advisers abroad. In fact, while I may have found a specific paper inadequate, during the period

1983 to 1987 the Directorate published a number of assessments dealing with these issues. I submit a partial listing for the record, including four papers by the Soviet office.

Chairman BOREN. They'll be received for the record.

[The document referred to follows:]

Soviet Activities in the Third World

- GI 18-10228: Soviet Presence in the Third World: Developments in the Past Decade
- GI 85-10175: Soviet and East European Aid to the Third World, 1981
- GI 83-10292: USSR and It's Allies: A Global Presence
- GI 85-10308: Soviet and East European Economic Assistance Programs in Non-Communist Less Developed Countries, 1983 and 1984
- GI 85-10308: Warsaw Pact Economic Aid to Non-Communist LDCs, 1984
- GI 87-10056: A Global Survey of Soviet Political Presence
- SOV M 85-10171: Soviet Economic Assistance to the Communist LDCs
- SOV M 85-10196: Regional Issues at the November Meeting: Gorbachev's Options
- SOV M 86-20036: Neoglobalism: New Soviet Formulation on the US and the Third World
- SOV M 86-20100: Soviet Views of Democratically-Oriented Change and Economic Liberalization in the Third World

Mr. GATES. The allegation is false.

Nine. It is alleged that I stopped a paper concluding that the Soviets would not send MiG fighters to the Sandinistas. In fact, the pros and cons of this and the constraints on the Soviets had been reported and my note simply said that the paper did not go beyond what we had already said. Let me read part of it into the record:

My view is that there are no considerations in this memo that policymakers have not already thought of or that we have not already presented to them in one form or another. On substance I am particularly struck by the complete absence of the main analytic point that you made to me at one point last week.

This is to the Director of the Soviet office—

But the timing suggested that the Soviets wanted for both internal and external purposes to send a message that moves towards the U.S., and possible resumption of arms control talks would not be accompanied by any slackening of Soviet commitments in the Third World. I just don't find the analysis very rigorous or persuasive. Don't get me wrong. The bottom line of the memo—that the Soviets will not be sending the MiGs in the foreseeable future—may well be true. In fact, I may lean in that direction in my own mind. I simply do not find the paper to be a significant contribution beyond what has already been provided. I also find it very loose—both analytically and editorially.

The allegation is false.

Nine. It is alleged that I stopped a paper concluding that the Soviets would not—I'm sorry.

Ten. It is alleged that I blocked a major research effort in 1984 documenting Afghan insurgent failures against Soviet forces. Supposedly my view that Mujahadeen successes would lead to more dramatic Soviet actions served to block analysis of insurgent shortcomings and Soviet limitations. Here's what really happened.

I said more research needed to be done to determine whether, in fact, the insurgency was gaining or losing ground in Afghanistan. That seemed to me to be relevant to the next steps by the Soviets. My memo to the Director of the Soviet office on this paper has been declassified, but again, let me just read an excerpt or two. This is dated 17 October 1984. "It seems to me that the first step in looking at what the Soviets might do is to assess the level of insurgent activity, say over the last two years. You need to develop some data covering the last two years or so that deal in comparative terms with numbers of incidents, territory held, number of casualties, amount of equipment lost, number and size of attacks, aircraft losses, sabotage and so forth. Only when you have this kind of data base can you determine from the Soviet standpoint whether the insurgency is getting worse or continuing at roughly the same level. I would argue that if the data shows there has not been a significant increase in insurgent activities over the last couple of years, then the motives for significant increase in Soviet resources devoted to the war are less compelling. On the other hand, if those data show steady or steep increases in insurgent activity and Soviet losses, then the motivation for doing something different in a significant way is heightened. In short, I find the paper superficial and unpersuasive largely because the detailed digging that has to be done to provide a factual basis on which to make some judgments about Soviet perceptions of how the war is going have not been done. These are important questions, and I think the research is worth doing, but let's get our fingers down into the dirt and get some information on which we can base our speculation."

Moreover, between the years 1983 and 1985, just to pick one period, seven major assessments were published on the war in Afghanistan, treating the strengths and weaknesses on both sides. I submit a list of those papers for the record.

[The document referred to follows:]

[The document referred to follows:]

Afghanistan War

- NESA 83-10079: Afghanistan: Increasing Insurgent Effectiveness
(April 1983)
- NESA 83-10110: Afghanistan: Goals and Prospects for the Insurgents
(May 1983)
- NESA 83-10211: Afghanistan: The Cease-Fire and the Future of the Insurgency in the Panjsher Valley
(September 1983)
- NESA 85-10006: The Afghan Army: The Soviet Military's Poor Student
(January 1985)
- NESA 85-10084/
SOV 85-10081: The Soviet Invasion of Afghanistan: Five Years After
(May 1985)
- NESA 85-10178: The Soviet Soldier in Afghanistan: Morale and Discipline Problems
(September 1985)
- NESA 85-10200: The Afghan Resistance: Arming for Effectiveness
(October 1985)

Mr. GATES. In addition, a monthly publication, *Developments in Afghanistan*, was initiated in March 1985. The charge that I suppressed information on Soviet problems in Afghanistan is demonstrably false.

Eleven. It is alleged that I rejected in 1985 Directorate analysis documenting Soviet problems in Iran and personally was responsible for the inaccurate assessment in the Iran Special National Estimate in May 1985. In fact, a major paper was published by the Directorate in May 1985 entitled, "Iran: The Struggle to Define and Control Foreign Policy," that explicitly addressed opposition in Iran to improved relations with the Soviet Union, especially among clerics and conservatives. But the Directorate paper also acknowledged indications of efforts by pragmatists in Iran to improve ties with the Soviet Union because of their belief that Iran was threatened by U.S. actions, the U.S.-Iraqi rapprochement of 1984, the course of the war with Iraq, and a deteriorating internal political situation. With respect to the May 1985 Estimate, every single member of the National Foreign Intelligence Board approved that Estimate. No one at the table, including INR, raised concerns about the Soviet part.

Twelve. The Directorate of Intelligence is accused of inflating Soviet aircraft losses in Afghanistan over a three year period in order to support my views on Soviet losses. In fact, how to measure Soviet aircraft losses was a source of great conflict between our Near East office, which thought that all sources of information should be taken into account, and the Soviet office, which argued that only one source should be relied upon. From 1980 to 1985 the Near East office methodology was used. After that, the Soviet office refused to coordinate on the numbers, and I regret to say, the Directorate essentially no longer offered Estimates on Soviet aircraft losses. This was a dispute among technical experts. The inference that I was involved is false.

Thirteen. It is alleged that I allowed a Directorate of Operations officer involved in the Iran initiative to provide his own reports to the NSC and then to submit his own analysis of these reports to the President's Daily Brief, thereby making U.S. policymakers, including the President, recipients of CIA disinformation. In fact, the DO officer in question states that he briefed the NSC on only one occasion, and he briefed the NSC principals on November 25, 1986 at Mr. Casey's behest. He adds that he never got from me, nor was given by me, permission to disseminate anything. Further, he does not ever recall producing any information for dissemination acquired from the Iranians in connection with the Iranian initiative. A search of all Presidential Daily Briefs in 1985 and 1986 has turned up no such article by this officer. Moreover, he does not remember ever writing anything for the PDB.

This allegation that I allowed a President to get CIA disinformation is a particularly reckless and pernicious charge, and is refuted by the man supposedly involved. Relatedly, the allegation is made that there was an effort to exaggerate the influence of so-called Iranian moderates and thus justify U.S. arms sales. In fact, as I testified two week ago, all NIEs and CIA publications throughout this period emphasized that there was no faction in Iran interested in improving relations with the United States. Moreover, the Direc-

torate's Near East office published over a hundred analyses of Iranian internal politics in 1985 and '86, all of which were available to policymakers.

Fourteen, it is alleged that in 1981 Director Casey directed me to rewrite the key judgments and change the text of an Estimate to show extensive Soviet involvement in international terrorism. Then a rewrite of the Estimate was ordered that expanded the scope of the paper and implied, despite evidence to the contrary, Soviet support for European terrorist groups.

The facts are as follows. In 1981 I had no position supervising any analytical component. As Mr. Casey and Admiral Inman's Chief of Staff, I saw a draft of the Estimate and I told them that it successfully and effectively disproved Secretary of State Haig's charge that the Soviets direct international terrorist organization, such as the IRA, the Red Brigade, Bader Meinhoff, and the Japanese Red Army. But I also said it missed an opportunity to review indirect Soviet assistance such as money, weapons, training, safe haven and safe passage. They then ordered a redraft. And here is what the House Intelligence Committee had to say about the final product in a report that they issued in September 1982. The Committee and its staff examined both the product and the process carefully—very closely. As the Subcommittee Chairman later stated in a letter to the Deputy Director of Central Intelligence, the staff concluded that, quote, "After an indisputably difficult production process, the result was a very high quality product," unquote. The NIE succeeded in being direct and clear in its conclusions that the Soviets are deeply engaged in support of revolutionary violence and directly or indirectly support terrorism, while making careful distinctions and pointing out areas in which evidence was substantial or thin or on which interpretations differed. That NIE stands as a fine example of intelligence performance under difficult circumstances," end quote. The allegations against me on this Estimate are false.

One further point. Thanks to the revolutions in Eastern Europe, we are now beginning to get evidence of direct East European support for, you guessed it, West European terrorist groups such as the Red Army Faction. We will have to wait to see if similar evidence of Soviet knowledge or support for West European terrorists emerges.

Fifteen. It is alleged that I did not permit DI analysts to take footnotes in National Estimates. In fact, between 1983 and 1986, the Directorate had at least sixteen footnotes in National Estimates and was included on a number of occasions in alternative language where the identities of agencies were not cited. The number would have been larger except for the fact that DI analysts were the drafters of about 50 percent of the Estimates.

Sixteen. It is alleged that well documented conclusions concerning the failure of Soviet efforts to gain influence in Tehran were radically altered in 1985 without any change in the evidentiary base. In fact, the May 1985 Special Estimate on Iran, the National Intelligence Daily of 16 May 1985, and the CIA Assessment of Iranian Foreign Policy in May 1985 focused instead on new, specific evidence of Iranian interests at that time in improving relations

with the U.S.S.R. and described the motives as well as the opposition.

Seventeen. It is alleged that I ordered the senior intelligence officer for Soviet foreign policy to be removed from the Office of Soviet Analysis. In fact, the Director of that office has written that I did not order the removal of anyone, although I did express dissatisfaction with the product of the Third World activities division and its, "thumb in your eye," product style. Mr. MacEachin then added, and I quote:

I, Mr. MacEachin, had found that the division as a whole seemed to see each effort to address competing views as being driven by political motives, and, therefore, when they did address competing alternatives, it was done with what tended to be a back of the hand approach. The division tended to see themselves in a holy war with the Administration. I, MacEachin, made the decision to move the division chief.

And I would add that the officer was not removed from the office, but from a managerial position. He retained his senior grade to which I promoted him, and became the office Senior Analyst on foreign policy where he continued to review the office's assessments on foreign policy and very successfully supervised preparation of a number of papers for President Reagan's first meeting with Gorbachev in Geneva in 1985.

Eighteen. The next allegations also concern the May 1985 Special Estimate on Iran. The charges are that the view that the U.S.S.R. was well positioned to increase its influence in Iran were introduced without consulting Soviet analysts in the Directorate, that the conclusions of SOVA analysts were ignored, that the NIO did not vet key judgments with the Intelligence Community until the first coordination meeting, that the NIO told other participants at that meeting that I had approved the draft, and it could not be changed. This was discussed here yesterday. But let me offer additional facts to what Mr. Fuller said.

On May 13, the day before the Community coordination meeting, representatives of all the relevant CIA offices met to review the draft. According to a memo by CIA's representative for the estimate, Mr. Charles Herseth, the discussion focused mainly on the paragraphs covering the role of the U.S.S.R. and of the Iranian army during instability. Sections which, as Mr. Herseth wrote, the NIO had heavily redrafted on his own.

Herseth continues that—

The differences between the draft and the changes I will propose at the coordination meeting, are primarily factual and do not significantly alter the thrust of those sections.

He observes that there was only one problem at the CIA coordination meeting and it had to do with discussion of the Iranian exile opposition. The Soviet office was represented at the meeting. There was no mention in the memo of a substantive problem on the Soviet side.

The NIO, as he testified yesterday, recalls showing me the original Soviet office contribution and his rewrite and my preferring the latter. He substituted his language in the draft and, without my knowledge or approval, cited my agreement with that text. Even so, he claims in no way to have indicated debate was closed. Only that that would be the draft issue for the next level of coordi-

nation. The NIO says he made clear that differences could be pursued up the chain of command. Yet, the SOVA analysts did not advise their office director, Mr. Kerr, or me of their strong disagreement.

And so, as I've testified two weeks ago, I was unaware at the time of their complaint. I might mention that on other estimates, other NIOs often would put in their own language and if Directorate analysts disagreed, they frequently would raise the issue with Mr. Kerr or me.

I attended the National Foreign Intelligence Board meeting on this estimate and all participants praised the paper. The principal drafter of the paper noted in a memo that I tried to avoid an INR footnote on the internal situation. But INR insisted, and Casey ruled all views should be reflected.

I, along with Casey, McMahon and General Odom, then the Director of NSA, felt the difference of view represented by the footnote was so scant that it was unwarranted. After the meeting, I called the Director of INR, who had not been at the meeting, and persuaded him that this was the case. And he agreed to drop the footnote.

And I think all of you who know Ambassador Abramowitz know that he is neither a push-over nor a patsy. There was no suppression of dissent and no outside pressure for unanimity. There was no slanting of analysis. And the only issue was the seriousness of Iran's internal instability—not Soviet opportunities and not Iran's continuing hostility to the United States.

Nineteen, and there are only twenty. It is alleged that numerous Inspector General reports over the past ten years have described malaise and anger over corruption of the intelligence process. In fact, Inspector General reports have noted perceptions, especially in the Soviet office, that politicization exists. And these reports have continued to this very day. But the Inspector General also stated that he was unable to identify concrete examples of abuse and indeed found many SOVA products that challenged Administration policies. They also noted that the perceptions problem seems greatest among junior analysts. And that nearly all senior analysts and managers believe the integrity of the process had been maintained.

Twenty. Finally, it is alleged that Casey and I created an agency view of the U.S.S.R. that ignored Soviet vulnerabilities and weaknesses and failed to recognize the pluralistic political culture that Gorbachev developed in a relatively short period of time. In fact, the documentary records speaks for itself.

For myself, I call your attention to the memo I sent to the Deputy Director for Intelligence on the 16th of October 1986 expressing concern that our analysis was missing the importance of developments in the Soviet Union. And I only wish I had remembered it in my colloquy with you, Senator Bradley.

I said on the 16th of October 1986—

I continue to worry that we are not being creative enough in the way we are analyzing internal Soviet developments. It seems to me we are looking at Soviet domestic and economic issues in terms of relatively straight line projections based on the methodologies and data sources that have dominated our analysis in the past, with-

out opening new lines of inquiry, asking new questions and exploiting previously under-utilized sources.

From talking with Soviet defectors and emigres, and people who are in touch with middle level Soviet officials in one way or another, I sense that there is a great deal more turbulence and unhappiness in the Soviet Union than we are conveying in anything we have written.

And I went on.

To what degree, if at all, have we failed to give adequate attention to what Gorbachev actually has done? While we have talked about tinkering with the system, has he actually done a great deal more than that and set in motion even more to create the possibility of qualitative change in the Soviet system over a several year period?

We seemed to be focusing on changes in the party and the government. What about the economy? Are we missing some significant changes underway? I am concerned that we are so caught up in the day-to-day tactical and discreet changes he is making and measuring them against some larger objective called, quote, "reform", unquote, that we may not be pulling together all of the strands in such a way as to identify the accumulative scope of what he is up to.

In sum, I am worried that there are a lot of questions that one hears from Soviet analysts and in discussions with various people that we are not doing any publishing on. I am concerned that we are in a rut and may not be recognizing significant change in the Soviet Union even as it is taking place. I am not arguing that all these things are true, I just don't see the issues being addressed in our publications. Everything seems too pat.

For the Agency, I call your attention to this publication tracking Gorbachev's course, a compendium of assessments on change in the Soviet Union under Gorbachev from March 1985 through September 1988. Even before Gorbachev came to power, the Soviet office in CIA was writing about his commitment to economic reform and the mixed evidence of his commitment to political reform. Some of these analyses were controversial. And I raised a lot of questions whether Gorbachev was being cast in too rosy terms. But the Soviet office's prevailing analysis that Gorbachev was a different, more reformist leader was accepted and reached policymakers.

Over all, from the early 1980's to 1987, the Soviet office provided a considerable body of analysis about Soviet problems, weaknesses and vulnerabilities as well as the prospects for major change. It highlighted early Gorbachev's disposition to reform and continued to track the radicalization of his reformist agenda through 1987 when the advent of democratization unleashed the forces that ultimately undermined the old system.

During this entire period in question, through today, I believe that all of these assessments, save the single exception of the Papal paper, came to this Committee, its House counterpart and often six or more other committees of the Congress. You and your Congressional colleagues received many hundreds of briefings from our analysts each year. There were very few complaints during that time about the intelligence presented and the record shows why. Moreover, we make a good deal of progress in improving analysis in those years. Many observers and customers expressed the clear view that quality and relevance had improved.

In sum, Mr. Chairman, a careful review of the actual record of what was published and sent to policymakers demonstrates that the integrity of the process was preserved. We were wrong at times, but our judgments were honest and unaffected by a desire to please or to slant. Our review process wasn't easy. But it was far from closed. It was rigorous. But it was fair. People who wanted to be heard were heard. I was demanding and blunt. Probably some-

times too much so. I had and have strong views. But as both Mr. MacEachin and Mr. Fuller said yesterday, I'm open to argumentation and there was a lot of that. And I never distorted intelligence to support policy or to please a policymaker.

Nevertheless, what has emerged in these hearings is clear evidence that the perception of politicization in some areas remains real and must be addressed by the next Director. What is needed then is a set of measures to assure that the integrity of the process is protected, that one or another person's views do not inhibit the diversity of analysis and that analysts need not play it safe with upper management through self-censorship.

And yet to accomplish these objectives while maintaining and further improving the quality and intellectual toughness of the product, to change an atmosphere, a tone, is a tall order, and in the real world, probably never perfectly attainable.

Even so, there are measures that can be taken. First, if confirmed I would candidly and quickly address these issues for all analysts. I would stress the importance of integrity and objectivity of the product, the importance of insuring that divergent views are heard and conveyed to the policymaker, and emphasize to all managers that analysts are to be encouraged to speak their minds openly, and that there should be incentives for doing this.

In short, we should try to codify that professional ethic Mr. MacEachin described and make it part of our daily work. In this connection, I would also tell all agency employees my door is open to those with concerns about this and other issues, and that I intend to reach out to them as well.

I also would ask for a restoration of collegial civility that acknowledges that honest people can and will disagree and that we must not attribute base motives when disagreements are involved.

Second, I believe all managers of analysis should have as a part of their own performance evaluation an appraisal of how well they encourage the above principles and values in their organizations, their openness to alternative views and their willingness to support their analysts up the line once they've approved the analysis themselves.

Third, if confirmed, I would direct the office of the statutory Inspector General to pay special attention to problems of analytical process and to serve as a focal point for analysts and analytical managers concerned about process and the integrity of the product.

Fourth, I believe issues relating to integrity of analysis, relationships with policy makers, and managing different points of view should be made a part of every training course for analysts and their managers.

Fifth, this Committee and its House counterpart for the past decade have focused especially on budget and clandestine activities. I encourage the Committees to consider re-establishing something like their old analysis and production subcommittees that can focus oversight on the analytic process.

This also could help the DCI better deal with analytical problems such as you have heard the last few days.

Sixth, if confirmed, I would ask the President's Foreign Intelligence Advisory Board for its help and ideas in this area.

Seventh, if confirmed I would consider creation of an analysis council of retired former senior officers that could advise the DCI and DDCI and the Deputy Director for Intelligence about the problems we are discussing, suggest possible, additional, remedies and perhaps serve also as ombudsmen to hear and evaluate complaints and concerns.

Eighth, and finally, if confirmed, I would solicit from the analysts, and the managers of analysis themselves, their own ideas on how to re-build morale, ensure integrity and independence, how to avoid self-censorship and deal with the perceptions of politicization.

If confirmed, I would expect to report to both Intelligence Committees on implementation of these and related measures when Congress returns in January.

Mr. Chairman, I thank you and the Committee for your patience. But the allegations of slanting intelligence are so insidious and the integrity of analysis so central to our work, that I felt it imperative to deal with the allegations in detail this morning, and to set forth my ideas for dealing with the perceptions problem and its potentially corrosive effect.

The proof that the integrity of analysis was preserved is in the quality of the people who produce the assessments and in the documents themselves—the nearly 2,500 major assessments and estimates produced while I was DDI and Deputy DCI. I am fully prepared to stake my reputation and integrity on the body of that work. I was and am proud of it and proud to have been associated with the people who produced it.

Mr. Chairman, in closing let me just say that I have been gratified by the strong support in front of this Committee by Admiral Inman and John McMahon, two of our country's most senior and esteemed intelligence professionals. Both addressed the issue of politicization and fully endorsed my integrity and honesty in that process. And virtually all of the allegations concerned here took place at a time when one or the other was present.

They also affirm my ability and qualifications to lead the Intelligence Community. Most important, President Bush, with whom I have worked so closely during these revolutionary times, has spoken publicly and repeatedly of his confidence in my integrity and my ability to lead the CIA and the Intelligence Community.

This uncommon relationship between us and his expectations having himself been Director offer a unique opportunity to re-make American intelligence and to do so while preserving and promoting the integrity of the intelligence process and a strong and positive relationship with the Congress.

Thank you.

Chairman BOREN. Thank you very much, Mr. Gates. As I have indicated, we are going to begin with Senator Glenn as he was not able to ask his questions during the first round of questioning in your earlier appearance here.

Just for the information of Committee Members, let me read the order of questioning which will occur for the balance of the morning and then into the afternoon. As I say we will begin with Senator Glenn. I will then ask my questions followed by the Vice Chairman, Senator Murkowski. The order is then Senator DeConcini, Senator Chafee, Senator Rudman, Senator Metzenbaum, Senator

Danforth, Senator Warner, Senator Gorton, Senator Bradley, Senator Nunn, Senator Cranston, Senator Hollings, and Senator D'Amato. So this should guide Members in terms of some idea of when their questioning might occur.

We will have 20 minute rounds. I will ask staff to inform Members at 10 minutes, then 5 minutes, and when they have 1 minute remaining. So that we may give each Member now a chance during this first round to be heard during proceedings today.

Senator Glenn, I'd recognize you at this time.

Senator GLENN. Thank you Mr. Chairman.

We started out our hearings with an emphasis on Iran-Contra and we have gone into all of the issues relating to the politicizing of the CIA. One thing that has bothered me very much has been that we have this diametrically opposed testimony under oath by you and some of your accusers, as well as your supporters. I suggested only half-jokingly the other day that we should take a tip from the CIA and use a lie-detector to find out what is truly going on.

I read an article in the paper the other day which contained a quote by Senator Rudman who indicated that this whole confirmation process is going to come down to the credibility of who we believe and who we do not believe, because we have such varied view points expressed.

I don't mind failures, where the failures are honestly arrived at and not tainted along the way. I think that is the way most of the Members of the Committee feel.

I think that the Agency has been faulted perhaps too much in the past years for not foreseeing some things that would have required an infallible crystal ball. For example, we expect to have a perfect estimate made of the Soviet economy, yet we must have thousands of economists in our own country with every bit of data at their fingertips, and they can't predict what's going to happen in our own economy.

So I would say that I think we sometimes expect too much. But, we do expect that these intelligence reports be arrived at honestly and not skewed. That has obviously become the major issue here.

There is one area that I want to get into that I don't believe has been mentioned at the hearings at all so far. It's an issue that I've taken a particular interest in through the years—nuclear proliferation. Even before I became a Member of this Committee a couple years back, I regularly received intelligence briefings on Pakistan's nuclear program. I have followed this area of nuclear non-proliferation through the years. Now we've known what was going on, and yet every year when this came up for re-certification, the President regularly certified that Pakistan does not possess a nuclear explosive device.

Now, what has been the true situation on this issue? What have you recommended? What have these reports shown to the President? Was there pressure put on the CIA to change an estimate because either we have Presidents not leveling with the Congress in making that decision, or they're getting faulty information. I don't know which it is. Every year I would object to this certification and take the matter up on the Floor. And every year we get turned

down on trying to cut off aid to Pakistan. What's been the situation with regard to Pakistan?

Several Senators were concerned enough about this issue that we went over to Pakistan several years ago. Senator Cohen I believe was on that trip, as well as Senator Nunn. We met with President Zia, Yaqub Khan, and Maneer Khan, and of course they told us one story about Pakistan's program while we are getting another story here. What did you recommend to the President with regard to Pakistan?

Mr. GATES. Well, first of all there was a great deal of discomfort with our analysis. But I can't recall any instance in which the policymakers refused to accept our analysis or pressured us in any way to tone it down.

I think what it boiled down to over the last 2 or 3 years in particular, was a question of interpretation of the law and also in policymakers trying to find some basis in the uncertainties of the Intelligence Community that would allow continuing the assistance for another year in the hope that that could serve as an incentive to get the Pakistanis to back away from their program. And so the intelligence officers would present their data and the lawyers would basically pick apart the analysis in terms of where—just exactly where are the uncertainties, just exactly where are the ambiguities. On occasion the Pakistanis would pull back tactically to give a little leeway. And it boiled down to, as I recall, and I am certainly no lawyer, but it boiled down to the question of do they possess a weapon? And the issue was do they have an assembled weapon? And it finally came down to the point where the information was good enough that the analyst concluded that even if they hadn't assembled it, it was a matter of basically just sticking it together, and there was no more ambiguity and really no more uncertainty and that's when the decision was made that they could no longer be certified.

Senator GLENN. Well, by that same analysis and we could I presume, theoretically say that we don't know whether China, France, Great Britain, or any other country we want to name around the world might have the bomb, because we don't know that every last screw is in every last weapon that they may have.

Mr. GATES. Well, we had the advantage in those cases, Senator Glenn, of them having tested a weapon and our having observed it so we did have that advantage. But it does create that problem where there hasn't been a test of a weapon, and I am probably sticking my neck out here on something I shouldn't, but in a way as I recall some of the discussions, the way the law was written in effect almost gave the Pakistanis an incentive in the sense that—and I think it's one of the amendments—it required that we certify that they possessed a weapon. Which suggested that they could do anything up to that point and we could not take any legal remedy.

I think that there were some more restrictive amendments applied, and I think one of yours is one of them, in different respects. But the point is that I think where there was some ambiguity really had to do more with that question of whether they actually had assembled a weapon rather than the progress they had made in other parts of their program.

Senator GLENN. Do you remain convinced that CIA was candid and forthcoming with Congress on all of these issues regarding Pakistan's nuclear capability?

Mr. GATES. Yes sir, I believe they were.

Senator GLENN. Our Committee has received allegations from former CIA analysts that intelligence provided to Executive branch policymakers and the Congress on Pakistan's nuclear weapons program might have been intentionally skewed throughout the 1980s for fear that failure to certify Pakistan's nuclear program would jeopardize U.S. assistance to the Afghan rebels. Now it's my understanding that the CIA Inspector General is still in the process of conducting an investigation of these allegations. Is that correct?

Mr. GATES. That's news to me Senator.

Senator GLENN. You're not aware that there's such an on-going investigation?

Mr. GATES. I did not know that, no sir.

Senator GLENN. OK. Well, while you were at CIA, was there ever any pressure on you from policymakers at the State Department or elsewhere to say, "Can't you shade that a little bit, we need to certify this to Congress, can't you pull back just a hair on this?" Did you ever have any conversations like that with anybody at State or in the Administration?

Mr. GATES. The only thing that I remember along those lines was a caution to be very careful about the words that were used in describing the situation. We in intelligence often will say this probably happened, or that probably happened, or it might have happened, or there's a good chance it may have happened or we don't think it happened at all or something like that. And they just asked us to be conscious of the fact—the way we worded our conclusions in some of these areas. But there was never any pressure to change those conclusions. And never any pressure in terms of the progress that the Pakistanis were making in their program. At least none that I was aware of.

Senator GLENN. We put so much emphasis on this program because we have tried through the years to encourage other nations to sign up under the NPT regime and we've said that those who cooperate will get the benefit of our peaceful cooperation. We've made a mockery of this process with Pakistan, I believe. And unfortunately, I don't know whether Presidents were given bum information on this issue or not, or whether they chose to just misrepresent the situation to Congress.

Back to your comments about the Pope. You mentioned in your comments something about having a basis for Casey's view. I wrote down the words, "Casey's view." What was Casey's view of the Papal assassination?

Mr. GATES. I think that Mr. Casey was persuaded by Clair Sterling's book in particular that the Soviets had in fact been behind, or at least knowledgeable about, the attempted assassination of the Pope.

Senator GLENN. Were his views generally known throughout the Agency?

Mr. GATES. Yes sir.

Senator GLENN. And do you think that colored any of the writing that went into the reports?

Mr. GATES. Well, I don't know. My recollection is that everybody also knew that John McMahon, the Deputy Director, was just as equally convinced they weren't involved because of the poor trade-craft that was involved. He found it hard to believe that the Soviets would associate themselves with such an amateurish undertaking.

So I think there were conflicting views on the seventh floor and as I've testified here this morning and as several analysts, I think, are prepared to affirm, and as Mr. MacEachin indicated yesterday, I just wasn't sure. I could find compelling arguments on both sides of the case.

Senator GLENN. You commissioned a panel in 1985 to review the issue, right?

Mr. GATES. Yes sir.

Senator GLENN. That was the so-called Cowey Panel?

Mr. GATES. Yes, sir.

Senator GLENN. What was their conclusion? The Cowey Report says that many of the people interviewed thought the paper had an unusual thrust for an intelligence assessment.

They thought that calling the paper, "The Case for Soviet Involvement," and marshaling evidence only for that side stacked the deck in favor of that argument and ran the risk of appearing biased.

Now that was the Cowey Report. What was done after that report came out? Anything?

Mr. GATES. Well I commissioned actually two papers after the Papal Paper came out. One was, I asked Mr. MacEachin—and he recalls it, I had not, he told me about it several weeks ago—I commissioned his office to write an attack on the paper. Now you make the case why—on the flaws in the paper. And that paper was done also. And then about a month later I commissioned this Cowey Report because I was uneasy with the way the entire—with the way the Directorate had handled the entire attempted assassination of the Pope.

Now, the Cowey Report in some respects is at odds with the recollections of some of the analysts that are involved in terms with what the seventh floor said or didn't say. Actually the seventh floor—the Cowey Report, I think is explicit in saying there were no directions from the seventh floor, but people at lower levels were influenced in terms of what they thought the seventh floor wanted to hear.

I think that the analysts are doing some sworn statements for this Committee, and I think they can speak for themselves. I would say also that the Cowey Report was very explicit in saying that I, as DDI, tried to distance myself from it because I knew that whatever the outcome of the report, that it would be susceptible to charges of politicization whichever conclusion it arrived at. And that may also have accounted for my basic agnosticism.

Senator GLENN. Some of my problem here in knowing who to believe is a very tough one. Let me quote from Mr. Goodman. You might want to make notes and reply to each one of these things if you would, please.

This is a direct quote of what Mr. Goodman stated, under oath, and it refers to the 1985 intelligence assessment on the Papal as-

sassination issue as an example of the imposition of intelligence without evidence. Now here's what he says with regard to that same assessment:

So what did Bob Gates do? Bob Gates re-wrote the Key Judgments. Bob Gates re-wrote the Summary. Bob Gates dropped a very interesting scope note that said in trying to explain the methodology that we only looked at the case for Soviet involvement. We didn't look at any of the evidence, and I might add very good evidence from very sensitive sources that would have explained the Soviets were not involved. He dropped that scope note.

Can you go through and give your version of each one of those accusations? Now that's from testimony Mr. Gates, and you're under oath now.

Mr. GATES. Yes, sir. The Committee has two sworn statements from those who were directly involved in the preparation of this paper, Mr. Lance Haus and Ms. Kay Oliver. Their sworn statements make the following statements: that the paper did examine both sides of the argument for Soviet involvement, that the paper was appropriately coordinated, and that the removal of the so-called scope note, the drafting of the Key Judgments and drafting of the cover memos were all handled by, and at the initiative of, lower levels of the CIA with no direction from me.

Now, I think part of the problem here, Senator Glenn, is something that some of the Members of the Committee have referred to at various points. I don't think that anybody—any of the witnesses are intentionally misleading this Committee. What I think you have here is the contrast between those with first-hand experience, those who were directly involved in the events, and those who are hearing second-hand about what happened. And I think the difference here is that Mr. Goodman was not directly involved and the two analysts who have submitted sworn statements to this Committee, were in fact those who were in charge of the project and actually did these things. I think that's the difference.

Senator GLENN. Well, okay, let me go through this and I don't have a whole lot of time remaining now. Did you re-write the Key Judgments?

Mr. GATES. No sir. And these analysts say that I did not.

Senator GLENN. Did you re-write the Summary?

Mr. GATES. No sir.

Senator GLENN. Did you drop a very interesting scope note that indicated that there were other sensitive sources that would explain the Soviets were not involved?

Mr. GATES. Not according to these analysts, Senator.

Senator GLENN. Well, I'm asking you. I don't want the analysts' opinion. I want yours if you have it.

Mr. GATES. Senator, let me say something that applies to a lot of other things before this Committee. What I've given you this morning, I certainly didn't remember. I put that together over the weekend, over the last few days, from documents, from testimony from others, from what others have said before this Committee, from the documentary evidence available at the Agency and from asking questions out at the Agency.

As I indicated in my statement, I reviewed something like 2,500 papers and estimates. And I have to admit to you that when I left CIA in 1989 I had no reason to try and stay on top of all of these

things and I probably never was on top of them in terms of remembering them. And so to ask me what I specifically recall saying or doing about a specific paper without my being able to go back and look at it or my being able to talk to others who were more directly involved, gives me a real problem. And it's not because I have selective amnesia, it's that I did a major data dump when I left CIA. There was no reason to keep all that information in my mind. I never expected to go back to CIA and that was all the past. So that's why I have to rely on the testimony of others. But you have two sworn statements, as I suggest here, of those who actually drafted the paper, making the comments I've just described.

Senator GLENN. Bill Casey appointed Max Hugel as Deputy Director for Operations. Mr. Hugel was a friend of Mr. Casey's, he had no experience in covert action or clandestine human intelligence. He was ultimately forced to resign after two months amid allegations of business-related improprieties. While the allegations against Mr. Hugel were apparently baseless, many believe that his brief tenure at the CIA was damaging to that Directorate's effectiveness and morale.

And because of such possibilities and because of some of the questions about possible politicization at the CIA, Senator Specter and I have introduced legislation that would require the additional top six people at the CIA be confirmed. The objective of this legislation is to prevent politicization, so that there won't be friends and campaign hangers-on that were appointed to some nice position at the CIA, which should be the most sacrosanct of all places where people are appointed, as far as I'm concerned.

I know we've talked a little bit before about S. 1003. And I'd appreciate your views on this measure.

It seems to me we have the whole confirmation process to safeguard against people being appointed to these particular positions who are just political hangers-on. But nevertheless, confirmation would prevent appointments just on a political basis. It would require that there would be some demonstrated capability before a person is appointed. Would you support that?

Mr. GATES. Senator, as you mentioned, we did talk about it, and as I indicated to you at the time I find it difficult in principle to object to the idea that senior level officials in a Federal agency or department would not be confirmed. I indicated at the time that I do have some reservations about it, in the sense that they would have to go through a political process at the White House and then a process here on the Hill. There are questions about whether they would go out of office at the end of the Presidential term. So there are some questions about it but it's something where I would be happy to sit down and work with you and Senator Specter and see if we can address some of the problems.

Senator GLENN. Well some of the comments that were made about our proposals are so preposterous that we're trying to politicize the CIA, when what we're trying to do is absolutely the opposite.

Mr. GATES. No. I understand that.

Senator GLENN. The Chairman has indicated because I didn't get a first round, I've got an extra couple of minutes. I appreciate that, and I'll just keep it to two or three minutes.

There is one other area that I'm concerned about a little bit. That's the SDI. You had a 1987 speech on the Soviet strategic defense system and you endorsed the Administration's SDI program. I remember when that speech was made and I was concerned about that. I'd like to find out what your rationale is for that speech. I don't think the head of the CIA or a high CIA official should become a flak for an Administration. And that bothered me very much at the time. And I didn't contact you then but it just seems to me that where controversial issues are involved, and we're trying to get a budget together up here, to have the head of the CIA or a high CIA official coming out on one side of such a controversial issue is troubling.

So it bothers me when you come out like that publicly. If new intelligence information on a subject comes up, you're locked in. Either that or you have to publicly reverse your opinion. The head of the CIA should never have to do this.

If you're confirmed, do you plan to still go out and give public speeches in support of one side or another or a policy issue? With all the people down the line in CIA knowing that that's your view on things, I can imagine what the effect is going to be. There's going to be some big wording changes in some of those reports coming up hill to you. I can almost guarantee that. Do you plan to give public speeches on different subjects?

Mr. GATES. Senator, let me respond with two points. First to answer your question directly and as I indicated to Senator Bradley a couple of weeks ago, I do not. I think that as I've looked back on it, it seems to me that while the Director of Central Intelligence should not be barred from giving substantive speeches, because I think some of the speeches that have been given in the past on technology transfer and proliferation have been useful, I think on balance that the DCI should be very, very careful, about undertaking such an effort and it should be in such a way that would be divorced from specific U.S. policies and certainly should not be susceptible to being read as advocacy.

So I would expect to give very, very few speeches on substantive issues but rather focus, if I were confirmed, when I gave public talks, on the nature of intelligence and the nature of our business and why it's a useful thing to do.

Senator GLENN. So you're saying you still would give some speeches. You say you'd give very few speeches on substantive issues. Does that mean you're going to give speeches or are you ruling that out? I don't mind issues such as technology transfer, but on a specific controversial policy issue like SDI, that does bother me.

Mr. GATES. I agree with you, Senator.

Senator GLENN. Would you still give speeches on things like that if you felt so moved?

Mr. GATES. The kinds of speeches that ought to at least remain a possibility are the kind that Judge Webster gave in terms of highlighting the proliferation problem around the world, chemical, biological and nuclear proliferation. Ballistic missile technologies. The kind of speech that Admiral Inman gave back in the early '80s on technology transfer. But I think the DCI should stay far away from issues that impinge on U.S. policy in the sense that might be seen

as advocacy of one policy or another. And I guess what I'm trying to say is I think that the SDI speech was one of those that could be misread as advocacy. I've read it carefully and I think that I can make a case where it was not advocacy, but I can see where others might see it that way. And I'm very sensitive to that. It would be very easy for me to give you a flat answer and say, "No I'm not going to give any substantive speeches," but I think there are, on occasion, points where it is useful to the public dialogue for the DCI, as Judge Webster did, to go public with information on the proliferation problem.

Senator GLENN. Well, the reason I'm following this a little bit, and Mr. Chairman you're very gracious and I will try to end this very shortly, is that we're talking about politicization again basically. And that's what bothers me. We're on the fourth or fifth iteration of SDI. We started out with the Astrodome concept, we've been through BRILLIANT PEBBLES, we've been through space-based interceptors, SBI, and we're down to GPALS now. We're in the fifth iteration of this program and I thought the Administration was misleading us so completely early on, even though General Abrahamson was a good friend of mine, and I went out to the labs every year to talk to the scientists working on directed energy weapons and all the other technologies involved. And all through this time they kept telling us it's about twenty years before we even might have some of the capability of doing these things we're talking about.

And so it's in the middle of that environment where we're revisiting SDI and realizing that it is not ready to deploy. And the scientists tell us that the technology is not there. It's in the middle of that kind of a decisionmaking process when your speech about the Soviet SDI program put a big scare into a lot of people. So that's the reason it concerned me very much. And I don't mean to belabor this but as long as you're talking generalities of technology transfer and general development of missiles around the world in general terms, I don't have any problem with that. But where you get down to a specific policy issue such as SDI, then I think that's politicization to me. So I would hope, if you're confirmed, that you take that into consideration in your new job.

Mr. GATES. Senator, I would not only take that into consideration but that would be my approach—not to address issues of that kind.

Senator GLENN. Thank you Mr. Chairman, I appreciate the extra time.

Chairman BOREN. Thank you very much, Senator Glenn, and again let me say you've been very patient in allowing others to question out of turn. That inadvertently cost you your turn in the first round and I appreciate your patience with us in that procedural problem that we had.

Let me follow up just briefly with the point that Senator Glenn was just making because I agree with it. I think that it is not proper for the Director of Central Intelligence to wade into what, in essence, is a debate, especially on a very controversial policy issue that Congress is going to be voting on in terms of setting budgetary priorities. Let me be explicit. I think I understand what you have said in response to Senator Glenn but I want to just see if this is an accurate representation. While there are some things you

think are appropriate, such as the speech you cited by Judge Webster on proliferation and the speech you cited by Admiral Inman, upon reflection, the speech that you gave on SDI would not be a speech that you would intend to give if you were confirmed as DCI? Is that a correct statement?

Mr. GATES. That is not only the case, Mr. Chairman, but I would have to say that I think that several of the other speeches that I gave at that time, including perhaps the speeches on the Soviet Union, because they are so enmeshed in issues that come before the government, are probably ones where the Director is best silent in public.

Chairman BOREN. Let me go on to another issue, I want to go back over some of the specific items that you have talked about in your opening statement, and go into them in a little more detail.

Senator Glenn was also questioning you about the paper on the attempted assassination of the Pope, as to whether or not you re-wrote any part of it dropped the scope notes and so on. We do have Mr. Haus' statement and I want to quote from Mr. Haus, what he has told the staff. This is the person who ultimately prepared this report. Mr. Haus said:

Mr. Gates made no changes to the draft submitted him other than fairly minor editorial ones. Indeed, I believe he also added a few caveats. His concern, if I remember correctly, was that we not go beyond where the intelligence information would carry us.

But let me be very clear on 3 related points: Mr. Gates did not drop any scope note. I doubt that he ever saw the preparatory paragraph offered by SOVA to its initial draft contribution because I did after consultation with Kay Oliver during my first review of the paper. I thought it was wishy-washy and redundant. Mr. Gates did not draft the key judgments, I did, with help from Beth Seeger and Kay Oliver. And finally, Mr. Gates did not draft the transmittal notes, although he certainly reviewed them.

So what he says would track your answer. But I am concerned not so much here about whether or not you re-wrote these because I will accept your word that you did not and especially in light of the fact that those who worked directly on the projects say that you did not. But you did sign the transmittal memo of this paper which has later been highly criticized. The panel which you commissioned to review the issue indicates that the 1985 assessment was hastily prepared and inadequately coordinated and found no one at the working level in the DI of the Do other the two primary authors of the paper who agreed with the thrust of it. In fairness to you, you did commission that study which came up with those conclusions. Yet you signed a memo transmitting this paper which said that the assessment was presented as "a comprehensive examination of who was behind the attempted assassination of Pope John Paul, II in 1981." Your memo goes on to cite a variety of sources and states, "We now feel able to present our findings with some confidence."

Now my question to you is that the copy of that memo that we have is the one on the transmittal to then-Vice President Bush. It was obviously disseminated to the President, Secretary of State, Defense, and others. First, did you prepare that memo yourself? Was the same memo sent to virtually all of these policymakers as far as you can recollect? Did you review its contents before you signed the memo. And how do you defend that memo given the fact

that this study was severely criticized later by a study by which you yourself commissioned?

Mr. GATES. First I have to take Mr. Haus' word for the fact that he drafted it and I didn't. I did sign it, that's for sure.

Chairman BOREN. Signed the memo of transmittal?

Mr. GATES. Signed the memo of transmittal. I only assume that all the transmittal letters were the same. That was usually the practice when a cover note or slip was attached going to several different policymakers on a particular study. I think it is important to note, as I indicated in my testimony, that the transmittal note also indicated that questions remain, and probably always would remain. It stated that it was our most comprehensive look and I think that it was. I think the view of the authors is that it still is probably the most comprehensive thing the Agency has done.

The thing that troubled me about the whole process—and obviously I think you know in retrospect the cover note probably should have indicated what in fact was the primary deficiency of the paper, and that was that it did not thoroughly examine all of the alternatives that were available. Some of those alternatives were mentioned in the paper and they were dealt with in the paper, but certainly not in the kind of detail that the Soviet involvement was and so that was a problem. But in a way, that paper was the culmination, as that study points out, of the Agency and the Directorate not very effectively dealing with the Papal problem from the very beginning and the attempted assassination.

The first couple of years, it was assumed that Agca had acted alone and so it was handled by just one analyst on a kind of part-time basis. The study that was published coming to the opposite conclusion in May 1983 had exactly the same problem that the May 1985, or the April 1985 study had and that was that it too was a single explanation of what had happened. And it reached the conclusion that the Bulgarians and nobody else were involved.

And so we did not—and the paper indicates a lot of bureaucratic reasons why not—did not address in any of these papers a comprehensive look that would look at all of the alternative explanations in terms of how we assessed the Papal assassination. In that respect, both the 1983 paper and the 1985 paper were flawed. And as DDI and having reviewed them both, I would have to take responsibility for that.

Chairman BOREN. Do you think in retrospect, that the memo, sent on to the President, Vice President, Secretaries of State, Defense, top policymakers of our government, should have raised more warning flags to the policymakers that there are other alternative not included in this document? These are busy people. At least I know in my own experience when I ask for a one pager or a two pager and look at the highlights of something I am interested in, I want warning flags if this is not really definitive in terms of looking at other alternatives.

Mr. GATES. I think that's probably the case. But I would add to that that when the paper came to me it was certainly represented as being fully coordinated within the agency. So it would have represented the Agency's best view. Coordinated with the Directorate of Operations, coordinated with other offices in the Directorate of

Intelligence. So when the paper came to me and I was told it was coordinated, I had every reason to believe that it did in fact represent the corporate view of the agency. So that was perhaps not a warning flag to me.

Chairman BOREN. Well, I accept your word that you did not re-write this. I do think that the cover transmittal letter should have had more warnings or more caveats in it.

Let me just ask you, did you ever direct anyone working on this project to come to a particular conclusion about Soviet involvement?

Mr. GATES. I don't think I did. And the testimony of those involved in the project is that I did not.

Chairman BOREN. Let me go to a couple of major items that I think need clarification.

One was the 1985 Iran Estimate which has been a major focus. In your letter to the Committee dated March 2, 1987, which you submitted in response to questions raised at your earlier confirmation hearings, you wrote in response to questions about your role in the preparation of the May 1985 Fuller memorandum concerning U.S. consideration of allowing arms sales to Iran. I am going to quote now what you said, "This memorandum was prepared by the NIO, Mr. Fuller, at his own initiative. I did not know the paper was being drafted. I neither saw, nor approved it prior to distribution. I received my copy simultaneously with others inside and outside the CIA".

Now Mr. Fuller, of course, was one of our witnesses here. The author of the memorandum as I recall testified that he sought to obtain your approval of this memorandum prior to its being considered by the analyst. As he testified to us, he said, Mr. Gates didn't go in and tell the analyst to come to these conclusions, but I went in and very forcefully at one point in the proceedings said, Mr. Gates has seen my point of view and he agrees with it—or something to that effect. I questioned him about this again yesterday, and he said, well in retrospect, I feel by my saying that I might have really pushed these analysts hard to come along and agree with me. He said, Mr. Gates had no way of knowing I did that. He assumed responsibility for saying that, he didn't lay that at your doorstep.

But there is this question as to what seems to be an apparent discrepancy. You're saying that you did not know the paper was being drafted and neither saw it nor approved it prior to distribution. And Mr. Fuller's statement that, yes he came up after he finished the paper and showed it to you prior to his discussion with the analyst where he said, I believe Bob Gates agrees with this, or something to that effect, or Bob Gates tells me he agrees with this.

Mr. GATES. I think, and I may be mistaken here Mr. Chairman, but I think the confusion is that I may have been referring in my March 2nd letter to the May 17, 1985 typescript memorandum that Mr. Fuller sent around of his own views on these issues to Mr. Casey and the policymakers and so on where I received a copy of that. And I had not known about that in advance, and had not approved circulation rather than the estimate—excuse me, rather than the estimate draft—that you all were talking about yesterday.

Chairman BOREN. OK. So Mr. Fuller, in essence, twice expressed his views. First in a memorandum that he just sent around the Agency giving his views.

Mr. GATES. And to the policymakers.

Chairman BOREN. And to the policymakers. That was strictly the views of the NIO.

Mr. GATES. Yes, sir. And I received that contemporaneously with everybody else.

Chairman BOREN. With everybody else. All right. And in addition, Mr. Fuller prepared a draft of his suggestions to go into an estimate which he then took into this meeting. You had seen that?

Mr. GATES. That's the part that he showed me and I expressed—

Chairman BOREN. And you said you agreed with him?

Mr. GATES. And I expressed a preference to what he had drafted compared to what the Soviet office had.

Chairman BOREN. All right. So you do recall seeing that prior to his going into the meeting with the analysts?

Mr. GATES. Yes, sir.

Chairman BOREN. Did you, at any point, say go down and tell the analysts I think they should give in and agree with you on this point?

Mr. GATES. I don't think so, Mr. Chairman.

Chairman BOREN. Let me turn to another area where I find some discrepancy or at least it raises some questions in terms of the testimony we've heard since you testified. That's the question of your knowledge about the role played by Colonel North. I questioned both Mr. Kerr and Mr. Allen about this and about your response to what they told you. We also had testimony from Mr. Fiers on this matter.

Mr. Kerr remembers—in his conversation with you that you do not recall having with him on this subject of Mr. Allen's suspicions in late August—that you said something like, God knows what Ollie is up to now. As I understand, you don't recall the Kerr conversation at all, the one in August where he supposedly, among other subjects, brought up the possibility of a diversion.

Mr. GATES. That's correct.

Chairman BOREN. And in fairness, Mr. Kerr says he understands why you might not have because it was an item gone over briefly. So I understand that but I want to focus more on Mr. Allen because you do remember the conversation with Mr. Allen.

Mr. GATES. Yes.

Chairman BOREN. And you do remember at least the bottom line of his suspicions and he walked through some of his reasons. He thinks that you said something like, well, if this is true, Ollie's gone to far in this case if he has comingled the Iranian operation and the Contra support operation.

He thinks you said something about Colonel North. Mr. Fiers says he has no reason to doubt that you didn't have extensive detail about what Colonel North was doing but that you understood generally, he said, the universe in which he was operating, that he was some kind of quarterback, even though you might not have great detail about it.

My question is this: On October the 9th, you had this meeting in which Colonel North was present, I believe Mr. Casey was there, and the Hasenfus plane had been shot down. You said by your own recollection that you turned to Colonel North and asked is the CIA clean in this operation? You asked him in essence to certify that the Agency was clean in this matter.

Now, why would you think he could tell you whether or not the CIA was clean unless you thought that he had some role in the operations or unless you had some suspicion that he was involved in the operation other than just encouraging the fundraising and encouraging their efforts in a general way?

Mr. GATES. Mr. Chairman. I had earlier asked the Deputy Director for Operations if CIA had had any involvement in the Hasenfus matter and had been told that we had not. And I saw this lunch as an opportunity to inquire of Colonel North whether he was aware from his contacts with private benefactors whether there was any chance that proprietaries or anybody else had been involved. I didn't, as I recall in the memo that I did afterward, I didn't just say, is CIA clean? I rather said did he have any reason to believe or any indication that CIA in any way, indirectly or anything else, had any connection with this thing? And it was purely in connection with knowing that he was in touch with the private benefactors. The idea that he was quarterbacking this thing or running it, frankly, based on my own experience with the NSC staff, just never even occurred to me quite honestly that he was at the hub of this entire operation.

As I indicated when I testified a couple of weeks ago, I had served on the NSC staff under some of the most powerful NSC advisors in our post-war history. And the idea of somebody running a military operation out of the NSC staff would have been unthinkable under those circumstances. And frankly, while I knew he was in touch with those guys, and so on, the idea that he actually had an operational role, frankly, I think was beyond the pale as far as I was concerned.

Chairman BOREN. Well, I don't want to belabor this point but how could you have confidence in any certification he could give you that the CIA was clean and not involved unless you thought he had some knowledge of the operations?

Mr. GATES. Well, again, just because he was involved and knew about the—was in touch with the private benefactors. I was—this was my first flap as DDCI on anything having to do with covert action. I was trying to make sure before the Director and I came up here to talk to the Chairman and Vice Chairman of the two Intelligence Committees that I'd covered what bases I knew. I touched the important base, which was our own Directorate of Operations. And I saw another opportunity knowing that the NSC was in touch with these people, to touch that base as well.

I didn't see him as a major source for this thing or as a major certifier, if you will. It was just another base to touch as far as I was concerned.

Chairman BOREN. Let me turn just briefly, and it has been one of my frustrations in these hearings that we've had to continue to go back over some of these past matters because a major focus of these hearings should be the future. And I may well want to come

back in an additional round of questions that go into the future more because this is the most important issue of all for us.

For the past several years, we've had a rapid escalation of intelligence budgets. We both know and it's now a very large figure that we will discuss pretty soon whether or not that figure will be public. It's been estimated by the media into the billions of dollars.

Many of these resources are targeted on the Soviet Union, the Soviet military threat and the threat of conventional war in Europe which are obviously very much receding in terms of their possibility.

I have two questions for you. One, in light of all of the shifts that have occurred in the world, the decline of the likelihood of some of these threats and the reduction of the need for expenditure in some of these major areas—some have estimated as much as fifty percent of the agency budget going into this area—do you feel we can find real bottom line net savings in the overall intelligence budget to pass on to the American people? Cut the total, to put it bluntly.

If that's the case, do you think in addition to making some net cuts that there should also be some areas that we increase? I would say we have to be very careful about this. We all know that when agencies are cut because part of their mission becomes somewhat obsolete, they go looking for other new missions to keep all of their people in place and all of their dollars still in the budget. For example, we are going to have a lot more open source reporting as the Soviet Union behaves much more like a democracy. A lot of information can be gleaned through open sources such as the State Department and other agencies that we wouldn't need to duplicate.

We've talked about the importance of economic intelligence, but would it be improper for CIA to duplicate the Commerce Department, for example?

So, my questions to you are do you think we can find some net reduction in overall spending? And, second, in addition to your ideas on net savings, what are the areas you think can be cut in general and where do you think the budget can or should be enhanced where we've been thin or weak or where changes in the world now give us new challenges that legitimately should be addressed by the Intelligence Community?

Mr. GATES. Let me make a general statement, Mr. Chairman, and then address your questions very specifically.

I think rather than just plucking an arbitrary—I think there are two dangers in this. One is plucking an arbitrary budget number out of the air and saying that looks right.

CHAIRMAN BOREN. I don't care—

Mr. GATES. And I know either higher or lower or whatever. The other danger is the one that you mentioned and that is an agency adrift and in search of a mission and trying to find new work to do in order to justify its budget. And that's why I suggested at the outset of these hearings that I think what is needed on an urgent basis is a top down review of what the priorities, missions of intelligence—of American intelligence ought to be. Rather than the DCI as a manager of a bureaucratic program, going up to the top and saying here's the amount of money I need and here are all the justifications for its, I think it is appropriate for the President, his

senior advisors, and with some appropriate involvement in the process, the Congress, to say, no, here's what we want U.S. intelligence to do in the aftermath of the Cold War and the break up of the Soviet Union. These are the priorities that we want you guys to address. And you tell us what you need to do that and what the budget will look like.

So I think that's why I've suggested this sort of what I'd like to call this Capabilities 2005 study that I think ought to be done within a very few months on an urgent basis to identify for the new Director and the Intelligence Community just what it is they ought to be working on.

Now that said, and then I think you build—you can look at restructuring and at what the budget ought to look like in order to sustain an effective effort against those missions and those priorities.

Now, specifically with respect to cuts, I think that the first—well, one further general point. As the Committee well knows, the bulk of the budget of the Intelligence Community goes for technical collection systems that—to use that wonderful budgeteers word—are fungible; they can be moved from target to target. The same assets that are used on Soviet strategic forces are used on Iraq or on the Middle East some place else.

Chairman BOREN. The satellite looks at one part of the world today and can be reprogrammed to look at another part.

Mr. GATES. Exactly. So there is that element of it.

Now, that said, I think one major area where there could be some savings, in think we clearly in the Intelligence Community are going to have to look at the amount of work that gets done on Soviet conventional forces. And I think that there can be a lot of streamlining and I think it is time, because the threat of war in Europe has receded so greatly, one thing that I would be willing to consider for example is moving CIA out of that business entirely and letting DIA handle Soviet conventional forces. I think the risks have been reduced to the point where competitive analysis in that particular arena is not so important. And that is a fairly major undertaking by CIA. And some of those assets could be used to look at political and economic and social issues inside the new republics of the Soviet Union and so on.

I think that on the—so that is a major area where I think cuts can be considered. I think that there are some perhaps structural changes that can be made that would reduce duplication in the community and where other agencies as well as CIA can do services of common concern. And where we can have a fair amount of streamlining. And I will be honest with you, I think this is an area that may involve ultimately a requirement for additional authorities for the DCI in terms of his ability to get down into the programs of the other agencies and begin to make those kinds of efficiencies and those kinds of changes from a community stand point, rather than just kind of a top line number.

In terms of areas where I think increases are likely going to be needed, I think that the biggest immediate threat to American security is the proliferation problem that Senator Glenn described. But I would broaden it to include chemical and biological weapons as well as proliferation of ballistic missile technologies.

Our capabilities on CW and BW now are pretty much confined to human intelligence. And I think that there is a need for some real investment in technical means by which we may be able to detect some of the precursor chemicals or some of these weapons where we are not able to get a human source. The truth of the matter is we had wonderful intelligence on the Pakistani situation. Chemical and Biological weapons are a much harder problem. And so that is an area where I think a lot more money has been budgeted for nuclear proliferation. This is an area in chemical, biological, and missiles, where I think there could be a real increase.

I think another area where the money has increased substantially over the last 3 or 4 years, but still warrants another look for additional investment is in the narcotics arena.

Chairman BOREN. Well, I would agree with the comments you have made, especially about the chemical and biological weapons because obviously the cost of these programs is far less than the cost of developing robust nuclear programs with capability of delivery. Therefore there is an opportunity for more nations around the world that have fewer financial resources or more groups around the world with fewer resources to develop very potent dangerous chemical and biological agents. But, I agree with what you said.

Mr. GATES. I would add, if I might Mr. Chairman, one of the other concerns that I think we are going to have at least in the near term, I think we are going to have to track, very closely Soviet strategic programs.

Because both in connection with the arms control agreements that have been signed, but also in terms of assuring ourselves that what they are telling us about control of these weapons to the extent we can determine is, in fact, true in terms of how good the command and control over those 30,000 or so nuclear weapons.

Chairman BOREN. Command and control especially becomes an important element.

Well just let me say the bottom line is this. There are many more areas I want to get into about the future. I'll do that in another round. But I think the next DCI is going to be facing a Committee here that is going to feel that we should try to make bottom line cuts in the budget. We are in very tough budgetary times. We should be able not only to shift resources given the changes in the world, but we should be able to make some overall savings and we are going to try hard to make those savings for the taxpayers.

Another thing we're going to try to do is to make sure we carefully scrutinize any new missions to make sure that they're really needed and that they are not simply ways to avoid cutting the total budget. That is going to be the atmosphere in which you will be operating and it's going to be a great challenge to the next DCI.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. Good morning Mr. Gates. I think we have explored in great lengths your particular recommendations for change in the Agency given your prior experience as acting head of the Agency. We have also carefully considered the testimony of the witnesses. The Chairman has gone into some detail and I am sure other Members will do the same with respect to your views towards other changes that should be made as a consequence of what we've heard.

However, I am still troubled by the testimony of some of the witnesses. It was not by accident, but it was the intention of the Committee that, after professional staff interviewed a group of witnesses who were willing to come forth, we identified three of them who were known to be favorable to you and three of them who were known to be critical of you. They've had their say. Now our responsibility is to address the quality of the evidence and determine what is factual. Is it based on firsthand knowledge? Is it an unbiased source? Is it backed by hard documentation or just oral accounts?

You have responded at great length and specificity to the allegations. But there is a relationship that you've had here for a long period of time with two gentlemen who came forward and gave a very blunt and harsh opinion of your qualifications, Mr. Goodman and Mr. Ford. I am struck with the past association that they enjoyed with you professionally and socially, and I am wondering if there was some particular incident that caused a personal falling out? I recall Mr. Ford's reference that he had specifically heard from 16, 17, 18 people who voluntarily phoned him. And he had 2 or 3 calls from people who were in opposition to the position that he had taken with regard to your nomination. Of course, there are lots of people in the Agency—and the actual number is classified. But I gathered from the conversation of the dialogue with both Mr. Ford and Mr. Goodman, that you had once enjoyed close working relationships. Mr. Ford stated that he'd never had any personal experience that troubled him with regard to your work as the head of the NIC, but had heard rumors about problems and so forth. And did Mr. Ford ever seek to talk with you about these rumors and problems he was perceiving? Could they approach you as personal friends and say, "Bob, I think you are getting a little too far away, you're getting a little too remote, or you're not really getting the message from the analysts and what they're trying to tell you." Because this has left the Committee with a question: How could old friends, good friends, not think enough of the relationship to communicate with you that things were deteriorating?

Can you give us a little background on that phase of your rise at CIA and how this could have occurred?

Mr. GATES. Senator, when I first joined CIA, and went to the Office of Current Intelligence in August 1968, there were—I went in to the Soviet Foreign Policy Branch. Mr. Goodman was in that branch, had been there I think a couple of years when I arrived, and several others. I think almost—well most of the 8 or 9 people in that branch when I was in that branch in 1968, are still at the Agency.

In fact, I had a mildly amusing experience this morning. The man who delivers the President's daily brief to President Bush, this morning, and I were talking—he was Mr. Goodman's and my branch chief. This poor fellow had to have both Mel and me work for him. And I commended him for his survival in all of this, all of these years. And I must admit that he had several other contentious people working for him as well. And so this—the fact ironically that most of this debate has focused on the Soviets in the Third World, I hate to read too much into it, but we were working on the Soviets in the Third World 23 years ago. So I would say that some

of the different approaches and ways of looking at this are not exactly new.

There was no falling out that I've ever been aware of. As I went to other jobs and went to the National Security Council in the early '70s and mid '70s and so on, we grew apart in the sense that we didn't see each other as often as we had. And then when I became DDI, just in the course of events, we didn't see each other very often.

But I, and although there were these disputes over these estimates and papers, I must admit that I never had any sense of estrangement. So I will tell you that I found Mr. Goodman's testimony to be a surprise. And the same thing with Mr. Ford. I've known Mr. Ford off and on for a number of years. He's a wonderful man. I have great respect for him. I don't think he and I ever exchanged a cross word. We worked well together. He was a good drafter, a good analyst, he was a good vice chairman and I think we worked well together. So I must admit that I was surprised by his testimony as well.

But beyond that I don't know of any specific precipitating event or series of events that led to this. I don't know whether Mr. Goodman saw my hand behind—apparently from his testimony he did—saw my hand behind his movement out of a management job into the senior analyst job. But by the same token it was also on my watch that, and with my approval that he was promoted to super-grade and made the Division Chief in the first place. And so I just don't know the answer to your question, Senator.

Senator MURKOWSKI. Who made the decision in the Agency to change Mr. Goodman's position? Was that your decision? Or somebody else's?

Mr. GATES. To move him from the Division Chief position?

Senator MURKOWSKI. Yes.

Mr. GATES. As indicated in the note that I read it was Mr. MacEachin.

Senator MURKOWSKI. And yet I think the Committee was left with the opinion, at least from Mr. Goodman, that it was your decision. Would you, after watching the testimony, agree with that?

Mr. GATES. No, I think based on what Mr. MacEachin—

Senator MURKOWSKI. No, I'm talking about from Mr. Goodman's point of view?

Mr. GATES. Well, he may well have believed that, yes.

Senator MURKOWSKI. As your responsibilities increased you said that the opportunities lessened for interaction between you, Mr. Goodman and Mr. Ford. But in the human relationship there is usually some consideration when a friend is moving away from the attitudes and prevailing thoughts of an acquaintance. And I'm just wondering, in your opinion, were there opportunities along the way for either Mel Goodman or Hal Ford to come into your office and say, "Bob, let me tell you a little bit about how I see things." Or was the structure within the Agency such that that would be inappropriate or unlikely to occur?

Mr. GATES. No, it wouldn't have been inappropriate or unlikely at all.

Senator MURKOWSKI. So in your confirmation process, back in 1986 and 1987, none of these gentlemen came forward or do you

recall in the record whether they gave any opinion as to your qualifications?

Mr. GATES. I don't think there was anything along these lines either in 1986 or 1987.

Senator MURKOWSKI. But it certainly would have been an opportunity as it is now?

Mr. GATES. Yes.

Senator MURKOWSKI. And with regard to your management style—clearly we have heard from Ms. Glaudemans references to how she felt and how your image was perceived at her level. Recognizing the reality that somebody's got to make the decision on what analysis is acceptable and what's unacceptable, and from your response to the allegations this morning it strikes me that you came across as a very tough taskmaster. You outlined what you expected to be done and what changes would be made. What is your impression of how that filters down to new people, impressionable people, bright people? I was somewhat moved by her comments last night. She said she wanted to be on the cutting edge of analysis or something to that effect, and clearly the result was a very bright, articulate young woman who was very disappointed in her experience. And she attributes that to you. And I know you're sensitive to that. That's a reality that you face when you're in a position of making decisions, but you also have to sensitize yourself to the impression left. Are you surprised at the kind of impression you left? Or is it something that was confined to the Soviet analysis group?

Mr. GATES. Senator, one of the things I tried to do as DDI was get an opportunity to talk to analysts directly and hear what was on their minds and what concerned them, issues about the Agency. And I would often bring up the concerns about politicization for these discussions. And so every week I would go to a branch somewhere in CIA, that's the lowest level of organization, usually about eight or ten people. It started out being brown bag lunches, then it evolved into the fact that they wanted to have a lunch where they brought all the foods of their geographic area and after a couple lunches where I thought I'd never survive, we stopped doing that and just made it meetings.

And I would go down into their work space and sit with eight or ten of them and just schmooze for an hour or an hour and a half about all the different issues that were before us. And while when I was sitting on the seventh floor there may have been a sense that I was unapproachable or aloof, I think the give and take in those meetings with the branches conveyed a very different sense in terms of a willingness to listen. I also would meet periodically, every month or so, with all of the Branch and Division Chiefs in all of the offices in an effort again to try and get down and find out what was really on peoples' minds.

So I think that on a routine basis people probably did not think that going up to the seventh floor to my office was right up there next to a trip to the park, but at the same time I think that I reached out enough to people that there were opportunities for people to express their views. And I'll be honest with you, people were very candid in those sessions. I'll tell you I found out one thing about these junior analysts, they are no shrinking violets,

and I had on more than one occasion in those Branch meetings somebody say I think that's the dumbest policy I ever heard. Or why are you doing this? Or why are you not doing this? How come you can't get this or that for us? And so on. They were very direct sessions. And I encouraged that.

One of the things that I've talked with Mr. Kerr about, we've encouraged analysts who had a problem with either his or my review of a paper to come back up and talk to us about it. And when they would do that, we almost always acceded to their point of view precisely because we wanted to encourage more behavior along those lines. We wanted to encourage people to do that.

Now I don't want to give the impression and I'm not trying to build a false image here. I suspect that to a lot of people in the Directorate I was not the most approachable and easiest guy to get along with that they'd ever run across. I was very demanding. I was blunt. When a paper I thought didn't meet standards, I didn't mince words. I had too much to do, too many papers to look at, too much else to do to worry about that. And I suppose that I know, if I'm confirmed, I have to be more sensitive to that kind of image that I portray.

But what I am trying to say is that there were a lot of opportunities for approachability and frankly, I think there are a number of people who have called into my office in the last week, who have come forward out of the Agency who thrived in that atmosphere, including a lot of junior analysts. Just to pick a couple of examples, one is the principal author of this Papal Paper, Beth Seeger. There are others. A young analyst who did all of Lebanon work. Mr. Fuller talked about the Lebanon estimate and what a courageous effort that was. Most of those estimates were drafted by a kid who'd only been in the Agency about eighteen months.

You didn't have to be a senior analyst to show courage and boldness in your analysis. Our analyst on Germany in 1983 got everything right from the German election outcome to their decision to deploy INF and everything else. And he'd only been in the Agency I think a couple of years.

So, the idea that people could not have bold analysis—analysis that put the Agency way out on a limb—and that this kind of thing that might not go down well was repressed, I think is a misimpression. And I think that there is to a degree—I mean, there are ten offices in the Directorate of Intelligence. And I think most of the people who have come before this Committee from the Directorate of Intelligence have, in fact, been from one part of one office. That's not entirely so, but it's mostly so. And you know, what about all those others in the Office of Global Issues and the Near East office and a variety of others that I dealt with over all those years.

Senator MURKOWSKI. Well, we've seen the consequences of what's happened in the Soviet Union and some of us are of the opinion that we achieved this through a policy of strength. And to some extent I think it's fair to say that the Soviet Union went bankrupt in an arms race. Nevertheless, the outcome is truly astounding. Much of the testimony that this Committee has heard relates to the question of politicization within the Soviet analysis section. And I think to a degree some of it is in the eyes of the beholder.

My last question involves whether the Administration or previous Administrations used an exaggerated Soviet threat to justify a policy to undertake a continuous build-up of our military capability. How do you respond to the allegation that you, as acting head of this Agency, and in other responsible positions at CIA, went along with the policy of the Administration to justify a strong military capability with supporting documentation and intelligence? How did you walk that line of living with yourself and recognizing that you had to call a spade a spade while knowing, indeed, that anything that would suggest an expansion of the Soviet threat would be very helpful to the Administration in the budget process?

Mr. GATES. Well, Senator, I think that the record is very good that the Agency called them as it saw them during that time. I don't think anybody at a senior level in the Reagan Administration needed any persuasion from us about Soviet activities in the Third World. On the other hand, we did, I think, tend to hold them back at some times on some occasions when they thought that they could get the Soviets to do something that we didn't. A perfect example of that is our Estimate on the Soviet export gas pipeline. The Administration was absolutely dead certain that they could stop the Soviets from building that gas pipeline, and it was deadly important. They put an enormous amount of diplomacy and pressure on the Europeans to get them to cut it all off, and we issued an Estimate that said it wouldn't work—that they were going to build the pipeline. And there was nothing they could do about it.

Similarly, Soviet defense spending. Nobody had more problems with our work on estimating Soviet defense spending than I did. But as Mr. MacEachin referred to yesterday, we issued an Estimate in 1983 saying that the rate of growth in Soviet military procurement had leveled off and was at zero. Now if you think Cap Weinberger welcomed that Estimate at a time when he was trying to get a major U.S. military build-up, it was not a fun time. Mr. MacEachin used the example on Soviet chemical weapons. At a time when the Administration was up here trying to get binary chemicals approved, and we said we don't think they're going to use it in a war. That was not helpful.

There are a number of these occasions where we did work on the Soviet Union that I think made a lot of problems for the Administration.

But let me cite a couple of other examples where I think we were wrong and I think others were right. The overall strength of the Soviet economy. I think CIA's record in terms of pointing out problems in the Soviet economy and its declining performance over a number of years is a very strong record, and it's a public record in the Joint Economic Committee books that have been put out by the Congress ever since the 1970s. But I think we overestimated statistically how big the Soviet GNP was, giving a false impression of the economic strength they had and their ability to sustain this military competition as far into the future as anybody could see. It was not through trying to underplay Soviet strength but by overstating it that I think we erred.

I think that in many respects we underestimated therefore the percentage of Soviet GNP going to military purposes in significant ways.

Now as for the threat, the one place where I think we talked about a Soviet threat and an expanding Soviet threat, and I think that the justification was there, was in what we actually saw on the ground in terms of expanding Soviet military capabilities, especially in the strategic arena. And I think our assessments there were good assessments; they were powerful assessments. If anything, we occasionally were on the low side in terms of what they were trying to do, but I think those were very accurate assessments.

So what I'm trying to convey is that I think if you look at the overall picture of production on the Soviet Union by the Agency during this entire period, it is a period where we got a lot right, we got some important things wrong, but people were basically calling them as they saw them. We weren't afraid to tell them Soviet military spending was declining. We weren't afraid to tell them no on the CW. We weren't afraid to say that some of these other things were happening. We weren't afraid to talk about the potential for Gorbachev and the reform effort. So I think that it's a mixed picture in terms of the quality of the analysis, but that very mix, and the kinds of issues that we addressed, validate the fact that people in fact were calling them as they saw them.

Senator MURKOWSKI. So you would deny the allegation on politicization under your watch?

Mr. GATES. Yes, sir, I would.

Senator MURKOWSKI. Thank you. Our next Senator would be Senator DeConcini.

Senator DECONCINI. Thank you, Mr. Vice Chairman. Shall we go ahead.

Senator METZENBAUM. Aren't we going to lunch?

Senator MURKOWSKI. I'll leave it optional. I understand we're going to break at twelve forty-five and you've got twenty minutes so if you'd like to break now and come back five minutes early that might be an alternative. I would defer to the Chairman.

Senator DECONCINI. I think that might be the best idea. I'm sure Mr. Gates has been here a long time and I am going to take the full twenty minutes. That's fine with me.

Chairman BOREN. Is that agreeable with you, Senator DeConcini? If that's the case, we will break now and come back at two o'clock.

Senator METZENBAUM. Mr. Chairman, could you make an announcement? It's my understanding that there are a number of statements that have been submitted for the record, one of which has already been referred to. I intend to speak to several of them when my time comes up. I think all of those are now available to the press.

Chairman BOREN. Yes. Senator Metzenbaum, last night I inserted into the record a statement by Ms. Oliver and an additional statement by Mr. Allen. Those have been distributed to the press. This morning we received from Mr. Lance Haus, who has been referred to today, his sworn statement which I hereby insert into the record, and Mr. John Hibbits. All of these have been submitted, Lynn Ekedahl, John Hibbits, Kay Oliver, Mr. Allen and Mr. Haus. So those five statements have now been submitted in sworn form and can certainly be referenced in questioning. If the Senator wants to just cite informally what someone has told the Committee

in terms of questioning this witness, you are free to do that even if it's not been sworn as yet. I would just suggest you say we've been told this, but not yet under oath. I think that would be appropriate.

Senator BRADLEY. Mr. Chairman, have all statements been made available to the press at this moment?

Chairman BOREN. I think the last one arrived about thirty seconds ago, but they will be made available. I know some have been made available to members of the press this morning. As they come in, they're being made available as quickly as copies can be made. The statements I've referred to from Oliver, Hibbits, Ekedahl, Allen and Haus have now been given to us under oath, and are hereby made a part of the record and will be distributed to the public. I believe there might be one or two other additional ones on the list that the Committee agreed to receive that might be coming in, and they will be entered into the record and distributed when they arrive.

[The documents referred to follow:]

Kay Oliver
30 September 1991

Statement for the SSCI

1. Let me briefly state my credentials, in keeping with the practice of others not well known to the Committee who have given testimony. I have a Ph.D in Russian history from Indiana University, and 18 years of experience working at CIA as an analyst and supervisor of analysis in the Soviet area. I am a member of the Senior Intelligence Service. My current position is Chief of Counter-intelligence Analysis.

2. I am here primarily because I coauthored the 1985 paper on the papal assassination attempt. I want to provide what information I can about the production of that paper, and to defend my integrity. I will address this subject first. Then, because Mel Goodman used the papal paper as one item in his overall bill of indictment of Robert Gates, I will make a few remarks touching on some broader issues raised by his testimony.

The Papal Paper

3. Now I would like to describe my role in the papal paper. The paper was drafted in two separate sections (in fact, as Doug MacEachin has mentioned, originally there were to be two papers). I was asked to draft the Office of Soviet Analysis (SOVA) section, which was to cover whether the Soviets had a motive to kill the Pope, whether they had a capability to conduct political assassinations, what their past practice and attitude had been regarding involvement in assassinations, and whether their

intelligence and political relationship with Bulgaria would have made complicity in this assassination attempt plausible. In other words, I was asked to look at the political context in which any decision to move against the Pope would have been made, while the Office of Global Issues (OGI) was to draft simultaneously the section examining the evidence directly pertaining to the actual assassination attempt. OGI had the papal account, and the principal analyst on the paper--Beth Seeger--had followed the case closely, which I had not. I was not asked to involve myself in her section of the paper, nor did I have the expert knowledge to do so. The division of labor struck me as reasonable.

4. My assumption is that Doug asked me to draft SOVA's contribution to the paper for the obvious reason that, as head of the Security Issues Branch, I had responsibility within SOVA for analyzing Soviet intelligence activities. I asked Mary Desjeans, an able analyst in the branch, to assist with research and preliminary drafting of some portions of the SOVA contribution. I thought her work deserved recognition so I added her name as an author of the paper, but I was fully responsible for putting together the SOVA contribution--which Doug as Director of SOVA approved before it was sent to OGI.

5. I do not have any first-hand knowledge of the 7th floor's handling of the paper since at no point in the process did I talk to Gates or other top managers about the paper. The fact that OGI rather than SOVA had the lead on the paper also limited my involvement in some aspects of production.

6. Although I did not make the decisions about who should see the paper in draft, I would point out that it is not unusual for a paper dealing with sensitive reporting to be held closely. I can assure the Committee that the paper was coordinated by the Chief of the Regional Issues Group in SOVA, and I believe by the Chief of the Third World Division. Contrary to his claim, I do not think that Mel Goodman himself was in a job that would have made him a natural person with whom to coordinate.

7. I regarded and continue to regard the writing of a paper examining the case for Soviet involvement as a legitimate undertaking. I suggested at the Terms of Reference meeting that the paper might provide a fuller assessment if other hypotheses were examined. But I think the argument is valid that since the important issue for the US was whether the Soviets (and secondarily, the Bulgarians) were involved, it made sense to organize analysis around this question. If the Soviets were not involved, it did not matter a great deal to US policy whether the Grey Wolves, Mafia elements, or Agca alone was responsible for the crime. New information that has surfaced since 1985 about past Soviet use of political violence reinforces the view that the possibility of Soviet involvement in the papal assassination attempt had to be thoroughly examined.

8. The paper did not simply make the case, but weighed the case, concerning Soviet involvement. Certainly in the SOVA contribution no relevant data that I know of bearing on the pros and cons of Soviet involvement were suppressed, contrary to Mel Goodman's claims. For example, Soviet incentives for involvement

were mentioned but so were disincentives. Past Soviet involvement in assassinations was described, but so was recent reluctance to engage in such practices except in wartime conditions--as in Afghanistan. The paper concluded not that the Soviets were involved--to this day I am agnostic on that question--but that their involvement was highly plausible. (Since the paper itself is classified, I refer you to the response Beth Seeger and I prepared to John Hibbits's memo, which makes this point clear.)

9. I was also inclined to believe it would be a good idea to put a scope note on the paper, explicitly stating the range and purpose of the paper. In fact, I did draft a preface to the SOVA contribution before it went to OGI that explained what the SOVA contribution did and did not cover. At the same time, I can see a perfectly reasonable argument against including a scope note. The title, after all, could be seen as conveying that the paper was assessing the case for Soviet involvement. The conditional tense was used appropriately throughout the paper. Most intelligence assessments are based on incomplete evidence, and if a paper is qualified too much, or labeled conjectural, we are criticized for analysis that is ambiguous and doesn't point in any particular direction.

10. Lance Haus the OGI Division Chief, who was the line manager overseeing production of the papal paper, has given me permission to quote from a statement he has given the Committee. First Lance explains that the preface SOVA offered in its contribution was the now famous scope note. Then he states:

Mr. Gates did not drop any scope note...because I did, after consultation with Kay Oliver, during my first review of the paper. I thought it was wishy washy and redundant. Mr. Gates did not draft the key judgments--I did, with help from Beth Seeger and Kay Oliver. Finally, Mr. Gates did not draft the transmittal notes--although he certainly reviewed them. Again, I did. This was standard procedure... and I know for sure Beth Seeger saw them.

Lance believed the Key Judgments faithfully reflected the paper. I was less sure of this myself, but I certainly did sign off on them. The key point is that the drafting of the Key Judgments, the removal of the prefatory scope note, and the drafting of the cover memos were all done at lower levels of CIA, and absolutely not at Gates' initiative.

Intelligence Successes and Failures

11. I would now like to shift gears and say a few words on the subject of intelligence successes and failures. In view of Mel Goodman's reference to Gates' having allegedly "missed" predicting the historic changes in the USSR, I think it should be noted for the record that Gates has had his share of successes in this area--some of which I have personal knowledge about. Long before the dawn of perestroika, for example, Gates was very supportive of analysis that highlighted growing tensions in Soviet society, rot in Soviet elite institutions, widespread political alienation and consumer distress--phenomena that pushed the system toward reform.

12. To cite one illustration, on the eve of Brezhnev's death I drafted a paper on Soviet elite uneasiness about societal problems and sense of foreboding about the future. I included a brief section on corruption, which I had great difficulty

coordinating with Mel Goodman's Division. In particular, I recall a single sentence that caused controversy. The sentence stated simply that corruption in the USSR had grown during the Brezhnev years. I was able to get Mel's Division to sign off only after I included a lengthy footnote acknowledging that corruption had always been present in the USSR and of course existed in other countries as well. When the paper finally went to Gates for review, he approved it but raised a question about why I had not paid more attention to corruption. Soon Andropov was in power; his first policy initiative was an attack on corruption, accompanied by public disclosures of its vast extent.

13. As the principal analyst covering the succession to Brezhnev, I can vouch for the fact that Robert Gates was among the few who read the tea leaves correctly and predicted early on that Andropov would be Brezhnev's successor--long before Mel Goodman's Division was prepared to make such a call.

14. As the Chief of SOVA's Domestic Policy Division from 1987 to 1989, I can attest that Gates did not join those in the Intelligence Community who predicted that Gorbachev could develop support for a centrist position and thus bring about moderate reform without instability. Gates thus foresaw that a political confrontation between the forces of reaction and reform would probably take place, as recently happened.

15. All this is not to say that I think Gates has been right about everything. I believe he did underestimate the extent to which the domestic dilemmas he correctly identified were also exacting a braking effect on Soviet foreign behavior.

But to read today's Soviet policies and motives back into those of even the mid-1980s is mistaken too. As the Soviet media now indicate, the impulses toward expansionism, militarism, and support for radical dictatorships have remained strong in influential quarters of the Soviet elite until very recently indeed.

Intolerance of Diversity

16. Now I would like to look at some of the broader implications of Mel Goodman's charges. I worked with Mel for many years. I know him to be a serious student of Soviet affairs, and a very engaging person in some settings. But I also know that Mel shows a different side in dealing with substantive conflict on the job. Nothing is more poisonous to the atmosphere at CIA, more destructive to the process of debating issues on the merits, than accusing colleagues of conspiring in or being duped into "politicizing" intelligence. It is imperative that our substantive discussions take place with an understanding that honest people can disagree, and a realization that few of us this side of heaven have a monopoly on truth. Unless these basic ground rules of civilized discourse are accepted, substantive conflict can easily escalate into ad hominem attacks on the character and competence of those whom others believe are on the "wrong" side of a given issue.

17. The comments Mel has made to this Committee on the 1985 papal paper are a case in point. The Cowey Report, produced by a panel at CIA that reviewed the Agency's track record in dealing with the papal assassination attempt, while critical of some

aspects of the record, found the 1985 paper to be "by any standard, an impressive" work. But Mel found the paper not simply one with which he disagreed but one that was "abominable," "absurd," and "tendentious," written by authors whom he strongly suggested were lacking in intellectual integrity and inclined to pander.

The Issue of Evidence

18. Let me deal now with the issue of evidence. Mel's charges highlight the question of what constitutes good "evidence." Let me illustrate once again with the papal case. Mel claims that "very good evidence from very sensitive sources...explained the Soviets were not involved in the assassination attempt." Now, considering that information of any Soviet involvement would have been very tightly held, what kind of evidence would be required to support Mel's claim? Let's say, purely hypothetically--just for the sake of the logic of the argument--that CIA had reliable sources within the KGB who reported that they never heard anything about Soviet involvement, or that their superiors had told them the Soviets were not involved. Would such reporting suffice to support Mel's claim? Of course not. The KGB officers, no matter what components they were in, could have been out of the information loop or lied to.

19. Let us suppose--once again purely hypothetically and for the sake of argument--that a source had direct access to KGB Chief Andropov himself. Only such reporting of Soviet innocence would have any credibility. The effect of such reporting on our thinking would be quite powerful. But even then, we would have

expected Andropov to deny Soviet involvement to almost all of his associates. And, there would have been the possibility that Andropov himself might not have known, that for one reason or another operatives in the KGB were tapped to work with the Bulgarians without his knowledge, or that Soviet elements other than the KGB--perhaps in the military--were conspiring with the Bulgarians. The point is simply that standards of evidence have to be higher to prove a negative than to prove a positive. A report of non-involvement from a source may simply indicate lack of knowledge.

20. This difficulty is one reason that the best intelligence analysis is based on much more than a totting up of intelligence reports. Clandestine reporting is only one category of evidence, albeit an important one. Analysis of any country's foreign policy behavior should be informed by historical perspective and by an appreciation of psychological, ideological, and internal political factors. In my view, a tendency to dismiss the validity of these factors, a tendency to take a narrow view of what constitutes "evidence," was a major reason that Mel reacted so harshly to analysis that attempted to evaluate intelligence reporting within a broader analytical context. (I would note parenthetically that--contrary to Mel's assertions--intelligence reporting itself has provided plausible evidence for as well as against Soviet involvement in the papal assassination attempt.)

Supervision of Analysis

21. This brings me to the question of the proper role of those who supervise analysis at CIA. It needs to be recognized that supervisors of analysis are not simply bureaucratic processors but substantive people, essentially senior analysts themselves directing the work of other analysts, many of them younger and less experienced. To ask these managers to stop using their thought processes, and to put in abeyance perspectives they have developed through long study of a given world area or discipline, would be to rob our assessments of valuable input. Moreover, since the product CIA puts out potentially influences important policy decisions, and the information used is sometimes obtained at the risk of human life, the institution as a whole has to be able to stand by papers that have the CIA seal on them. Thus, although there should always be a free interplay of ideas, CIA cannot be a "free university." CIA managers have a legitimate role to play in the production of intelligence. There is inherent tension between the intellectual autonomy of the analyst and the institutional responsibility for the product. Conducting our business with civility and in good faith can reduce but never eliminate this tension.

Dogmatism

22. What is dangerous to CIA is not managers who have views but managers whose views are rigidly held and not susceptible to modification in the face of strong contrary evidence or argumentation. What is to be avoided is not the holding of views

but dogmatism at any level of the hierarchy--from analysts, to mid-level managers such as Mel and myself, to top CIA officials.

23. I submit that dogmatism was responsible for the failure of the Soviet foreign policy shop--during the period when Mel was in leadership positions there--to undertake a serious examination of whether the Soviets could have been involved in the papal assassination attempt. This failure went a long way toward justifying the production finally in 1985 of a paper that dealt exclusively with this question--years after the assassination attempt.

Flawed Analytical Approach

24. I believe the tendency for so long to dismiss without comprehensive examination the notion of Soviet involvement also reflected a fundamental flaw in analytical approach. For many years analysis of the Soviet foreign policy shop at CIA was dominated by a school of thought that focused almost exclusively on Soviet relations with other countries at the level of diplomacy and military support, and treated dismissively that important stratum of Soviet foreign policy behavior orchestrated by the Central Committee's International Department and the KGB. These institutions of course attempted to influence foreign developments through espionage, propaganda, influence operations, active measures, clandestine support for political violence and assistance to various groups working to undermine governments unfriendly to the U.S. There is room for legitimate debate about how to weight these activities; but Moscow attached much importance to them, and they could not be ignored. I mean it as

no reflection on anyone's dedication when I say that, as a participant in discussions of this subject in SOVA in the first half of the 1980s, I detected little enthusiasm in some quarters for analysis of the seamy side of Soviet foreign behavior.

There was reluctance to monitor closely the covert instruments used to advance Soviet global objectives--instruments that only now are being fundamentally reformed. Mel Goodman as much as anyone personified this approach in analyzing Soviet foreign policy, an approach that I believe Gates rightly sought to broaden.

What is "politicization"?

25. Now let me take up the issue of what constitutes "politicization." Common sense would suggest a simple definition--namely, the deliberate suppression or distortion of intelligence information and assessments to serve some policy agenda. (Such a definition--by the way--includes not only action along these lines by top CIA managers, but also by mid-level managers and analysts, who may sometimes be tempted to lean to one side or another to counter perceived policy "errors" of the administration or intelligence assessments from other quarters.) Members of the Committee may wonder, then, why Mel chose to offer five such elaborate criteria of "politicization." While these criteria are unobjectionable taken literally, in the real world context they beg some big questions and provide the rationale for a narrow, proprietary approach to intelligence analysis. Basically, Mel's definition of politicization would have the

effect of giving particular groups of analysts monopoly control over key sets of issues.

26. First, Mel would constrain higher managers from effectively reviewing the product by raising the spectre of "politicization" should they attempt to shape intelligence judgments. Second, he would encourage analysts to cry "foul" if papers on subjects they thought "belonged" to their unit were assigned to other components. Thus, although expertise on foreign intelligence activity and on terrorism existed in OGI and in other parts of SOVA, calling on these components rather than the Soviet foreign policy shop to assess the papal assassination attempt was, according to Mel, "finding someone to do your bidding," a form of "politicization." Third, there is an implication that the Directorate of Operations, a repository of considerable knowledge and on-the-ground savvy about the Soviet Union, should be excluded from any role whatsoever in formal intelligence assessment. Apparently, this exclusion would extend to centers that bring DO operations officers and DI analysts together to work on such topics as terrorism, narcotics, and counterintelligence. Fourth, it would seem that National Intelligence Officers, senior substantive experts, would be under pressure not to put out interpretations at variance with those of the DI analytic unit controlling the turf.

27. I am not saying that I disagree with each particular Mel mentioned in laying out how he thinks the organization should conduct its business. For example, I don't think Estimates should be reviewed by the DCI or DDCI before community

coordination. But there is also clearly a danger that by loading the definition of "politicization," one can control the analytic line and anathematize dissenters. And I believe that whatever processes we develop in the future should give play to a diversity of views from a diversity of components within CIA.

Conclusion

28. In conclusion I would like to say for the record that nobody--upstairs or downtown--asked me to make this statement. I have prepared it with no advance planning. Aside from defending my own work, I wanted to counter a parochial view of how the Agency should operate that, if not directly addressed, could make it difficult in the future for managers at CIA to conduct the sort of rigorous review of analysis essential to a quality intelligence product. The environment at CIA is not one in which truthseekers are pitted against politicizers, not one in which analysts seek to get brilliant papers through managers driven by a political agenda, not one in which a single orthodoxy is imposed from on high. Instead, analytic insight and flawed vision are found both within the managerial and analytical ranks. There are many orthodoxies at CIA, as various small units quite naturally develop their own analytical lines and vested interests in them. On important issues there are almost always elements of ambiguity. And managerial insistence on addressing questions asked by policymakers can easily be misconstrued as a desire to distort analysis. In this complex environment, our job as managers and analysts is to work together to produce the best possible analysis for policymakers--through fidelity to the data,

vigorous intellectual debate, the provision of channels for the expression of dissenting interpretations, an effective quality control process, and respect for one other.

Witnessed and subscribed before me this

October 19 1932

at my hand and official seal

W. H. Lygell Notary Public

Kay Oliver

My Commission Expires December 5, 1932

Statement of John Hibbits before the Gates Hearings ²/₃ October 1991

I am here to testify about my role in the production of the CIA paper linking the Soviets to the plot to kill the Pope. In May 1985 I wrote a critique of that paper. At that time I was Chief, Foreign Activities Branch in the Office of Soviet Analysis(SOVA). Currently, I am Deputy Chief, Russia/Union Division in SOVA.

I have spent some 30 years of my life in government service, over ten with the Navy and almost 20 with the CIA. I started out in the intelligence business in the 1960s with the Navy as a junior officer. After completing a year of Russian language training I served as an operational intelligence officer in Japan during the Pueblo Crisis and the shootdown of a naval patrol aircraft off the coast of Korea. In 1969 I left the Navy and came to Washington to work as a civilian analyst for the Director, Naval Intelligence at the Pentagon, and to earn a graduate degree in Soviet affairs from Georgetown University. I did my undergraduate work at Fordham University before joining the Navy. In the Pentagon I observed the tough bureaucratic and political pressures involved in producing national and departmental intelligence.

I joined CIA in 1974. I was a naval analyst in the Office of Strategic Research under DCIs Colby, Bush and Turner., and later spent two years in the Directorate of Operations on the CI Staff. In 1981 I received the DCI Certificate of Merit for my service there.

In the early 1980s I returned to the DI as an analyst and later a branch chief working on Soviet issues in the DI and the National Intelligence Council. I worked closely for Doug MacEachin and Larry

Gershwin, both exceptional leaders in intelligence. I observed during those years, however, that relations between SOVA and both Gates and the NIC were adversarial rather than collegial; the DDI was highly critical of the SOVA product and papers regularly came back from the 7th floor with strong correctives of substance as well as style that seemed to go beyond what would be expected in a "tough review."

Over time managers and eventually analysts in SOVA understood what would and would not get through the front office and there developed within the office, divisions, branches, and minds of the analysts a self-censoring atmosphere. Some reaction was subtle and some more obvious. In planning our research program, for example, a paper on Soviet use of chemical agents in the Third World was rejected at the middle management level because it would have no payoff; it would not show clear Soviet use and therefore would likely only upset Gates. So I had to tell the analyst who had proposed the subject in hopes of clarifying the record that he should work on something else. At the same time, offices outside SOVA, knowing Casey was consumed by the Soviet problem, began writing about Soviet activities, often duplicating effort and wasting resources.

How well agency managers could craft intelligence that would keep criticism from the DDI to a minimum became a measure of one's value and there arose a danger of being out of the loop if you were not responsive. Many professionals adjusted without seriously compromising the essential integrity of the product in their own mind, but it became difficult to remain completely objective. As professionals, many began to anticipate criticism and write papers that Gates would like or at least find convincing. Even with these constraints, many of us were able to write and manage a number of

what I believe were solid intelligence analysis, but the process was very difficult. Others simply sought jobs outside SOVA or the Agency.

It was this atmosphere that prevailed when I was Chief, Foreign Activities Branch in SOVA and Doug MacEachin came into my office in May 1985 with some special tasking. As I can best recall he told me that a compartmented paper had been drafted on the papal assassination attempt of 1981 and it was about to be disseminated. He asked that I do a quick assessment of the paper looking critically at the case being made for Soviet involvement. I was told it had to be done as soon as possible because Gates was anxious to get the paper out. My impression at the time was that MacEachin initiated the critique and was not enthusiastic about the thrust of the papal assassination paper. As I read it for the first time I saw it as an effort by Casey, using Gates, to push the case further than the evidence would take us. I feared that the most senior policymakers in Washington would quickly read the key judgements, as their busy schedules usually dictate, and come away with the view that CIA as an agency believed that the Soviets were behind the papal assassination plot.

I can remember having just a couple of days and nights to put my comments together, coming in the office early one morning to finish it and send it to MacEachin. I distinctly remember him coming down to my office with paper in hand, highly satisfied with the critique and recommending just a few changes. I also remember that I was reviewing what we call a dylux copy of the study which is the print-ready copy of the paper just before it goes to press. I was told that the paper was not yet disseminated. One of my criticisms of the paper was that it was speculative and did not make clear to the reader that this was so. It did not meet the usual standards for a SOVA paper: it did not contain alternative scenarios, analysis or

views, and the key judgements were not fully representative of the body of the paper.

MacEachin immediately hosted a meeting in his office with all involved and a rebuttal by the authors was attached to my critique. I was told that Gates would decide on what to do next. I was not permitted to keep a copy of the paper and was not told of its dissemination. Several weeks later I was interviewed by the panel of three senior DI officers that wrote the post mortem in July 1985. That was the last I heard of the incident until now.

A sensitive NIE written in 1987 made it clear that we still had no conclusive evidence of any Soviet involvement in the assassination attempt. Whether or not the Soviets were involved can still be debated. We have had new evidence on both sides of the issue. We may never know the answer for certain even though access may be given to KGB files.

To me, the more important issue, however, is not who was right or wrong on the call, but how the game was played. Did the intelligence process in the CIA provide policymakers with a balanced and dispassionate analysis of the event with uncertainties and alternative analysis appropriately rendered. I thought this was not the case. Reading the Gates cover memo on the study sent to then Vice President Bush, my reservations about the assassination study and how it would be presented to top officials appear to have been warranted.

Senators, you are hearing two different views of how well Bob Gates managed intelligence production. I know Mr. Gates only from a

distance professionally. During his tenure, however, I have seen severe problems develop in the Office of Soviet Analysis. Some changes probably were needed in the 1980s to put the DI on a steady analytic course and a new manager has the responsibility to implement hard choices. Analysts will grumble about change, but they usually adjust and come to accept new guidelines and standards if these are clearly stated, consistent, and unbiased. But I respectfully submit that the policies I experienced were of a different nature. I believe the people who worked there then --the vast majority of both analysts and managers--believe that Gates subverted the intelligence process. It is difficult to know the truth from listening to a few of us here during the confirmation process." But I hope that you become concerned enough to continue investigating these reports.

Major analytic differences on political intelligence often stem from differences in political philosophy. It is essential that we develop an analytic process where opposing views are encouraged and seriously weighed with the goal of producing a balanced and useful product. In many instances, fine intelligence analysis has and is being produced at the Agency. Some credit must go to Mr. Gates, but more, I believe, must go to the professional men and women working there who always have had high standards of academic excellence and integrity. Thank you for allowing me to speak before you.

I swear the above statement is true to the best of my knowledge and belief.

John H. Halliday
2 October 91

91-4698

STATEMENT TO SENATE SELECT COMMITTEE ON INTELLIGENCE

SUBJECT: CIA POLITICIZATION

FROM: Carolyn McGiffert Ekedahl¹

DATE: September 30, 1991

The bias built into CIA reporting during the Casey/Gates era continues to undermine the agency's ability to produce quality intelligence. While the issue of politicization is difficult to confront, the problems created by flawed intelligence are significant enough to require serious and concentrated attention. I believe that, given Mr. Gates' past performance, his confirmation as Director of Central Intelligence would send a strong and demoralizing message to intelligence analysts--and would be a disservice to the very real need of U.S. policymakers for objective intelligence analysis.

TOPIC 1: Soviet-Third World Relations

The committee has requested a copy of a paper on the Soviet position in the Third World, written by a colleague and me in 1985. There is no copy of the paper; it was killed and never published. I believe the paper was killed for political reasons; it did not support the views of the 7th Floor.

When I was first asked to write the paper, by my deputy division chief (Robert Korn) in late 1984 or early 1985, Korn told me that Douglas MacEachin, Director of the Office of Soviet Analysis (SOVA) had requested an assessment that would provide a "balance sheet" of Soviet activities in the Third World. I requested that he go back to MacEachin and make sure he wanted such a paper, because my experience was that nothing we could write on that particular subject of an analytical nature would be

¹ I currently am CIA's Officer-in-Residence at Georgetown University. I have been an intelligence officer with CIA for 29 years and have worked on Soviet foreign policy for most of that time. In September 1985, I left the Office of Soviet Analysis because of issues involving politicization that I will discuss in this memorandum. I have subsequently worked on the National Intelligence Council's Analytic Group (1985-1986) and the Office of Near East and South Asian Analysis (1986 to date). I have continued during this period to work on Soviet foreign policy and have written a book, several book chapters, and a number of journal articles.

acceptable to the seventh floor.² Korn told me several days later that he had raised the subject with MacEachin, who had said to go ahead.³ My division chief, Melvin Goodman, subsequently also agreed that we should write the paper.

After collecting a considerable amount of data, Raymond Duncan, a visiting scholar, and I began to draft an assessment; by March 1985, we had a rough draft prepared. Material compiled by OGI and SOVA revealed that most indicators of Soviet Third World activity were either leveling off or declining by the mid-1980s--after increasing rather rapidly in the 1970s. Given the fact that the Soviets were continuing to put large amounts of material assistance into various beleaguered client states (Afghanistan, Ethiopia, Angola, Cambodia, Cuba, Vietnam), the data suggested that Soviet expansionism in the Third World had peaked and that the costs of an expanding empire could not be sustained.

Following the purge of SOVA (a major reorganization involving the replacement of various managers) that occurred in March 1985, Ray Duncan and I were asked to submit our preliminary draft to the new management team and were then summoned to a meeting with those officers. We were told that the paper was off the mark, that it had no particular relevance or utility, and that it should be published on the outside--not inside the CIA where it had nothing new to offer.⁴ I asked why MacEachin had asked for the paper if it was irrelevant and was told that MacEachin had never heard of the paper and didn't even know it was on the research program. The paper was killed. Shortly thereafter, I left SOVA.

TOPIC 2: Soviet Involvement in International Terrorism

I was the drafter of the original estimate on Soviet involvement in international terrorism in February 1981. Robert

² By that time, we were exercising a considerable amount of self-censorship. There seemed little point in spending a lot of time on a project that had no chance of moving through the system.

³ I'm emphasizing these exchanges because MacEachin subsequently denied that he had ever asked for such a paper--or, indeed, even heard of it.

⁴ Subsequently, over a three-year period and in our spare time, Ray and I took the theme of the draft and wrote a book. It was published by Westview Press in 1990 and is titled, Moscow and the Third World Under Gorbachev.

Gates has claimed that the drafters wanted to "stick their finger in the policy maker's eye." This is totally false.

State Department requested a special estimate on the subject after Secretary Haig made a speech in late January 1981, charging that the Soviets were behind much of the terrorist activity in Europe. I was informed by a State Department official present at the meeting that the Director of State Department's Bureau for Intelligence and Research, Ron Spiers, had told Haig that there was little evidence to support his charges and had then requested an interagency effort to address the issue. The CIA's National Intelligence Council (NIC) was tasked to prepare a special estimate, and I was asked to be the drafter.

Because of the importance of the request and the volatility of the issue, exceedingly high priority was giving to collecting and evaluating all available information dealing with Soviet involvement, direct and indirect, to any group dealing in terrorist activities. I worked extremely closely with the Directorate of Operations (DO) to make sure it provided every piece of information it had, as well as with the State Department and the Defense Intelligence Agency (DIA); we discarded no piece of evidence and, when I wrote the draft, I included an annex with all the evidence, good and bad, carefully described and ~~explained~~ ^{explained}.

As I drafted the estimate, I maintained close contact with my colleagues, and when I finished the first draft in late February, I informally coordinated it with them. We agreed that the Soviets consistently stated, publicly and privately, that they considered international terrorist activities counterproductive and advised groups they supported not to use such tactics (we had hard evidence to support this conclusion). We emphasized, however, that the Soviets had little moral compunction about the use of terrorism, made little if any effort to prevent its use, and furnished assistance to various groups, such as the PLO, the ANC, and ZAPU, which used terrorism as one of their tactics. We reported that we had found no persuasive evidence of Soviet support for those European terrorist groups (the IRA, the Red Brigades, and the Red Army Faction) about which Secretary Haig had specifically asked. There was no effort to "stick our finger in the policy maker's eye." On the contrary, we had expanded the scope of the paper to include groups in which Haig had expressed no interest so that we could point out that the Soviets did support militant groups and did pursue destabilizing policies.

I sent the draft to the Acting NIO (Jeremy Azreal) on February 25, 1981. It drew a strong reaction. The Key Judgments were rewritten by Azrael and Gates (at that time the assistant to William Casey) to suggest greater Soviet support for terrorism, and the text was altered by pulling up from the annex reports that ~~exaggerated the extent of~~ ^{overstated} Soviet involvement. The rewriting

was done in one day and the draft was prepared to be sent out for interagency coordination. My Branch Chief (Richard Rogers) and I protested the changes to the draft. At this point, the DO also intervened; on behalf of his officers, John McMahon protested that DO information was being misused in the new text. On February 28, a meeting of DO, NIC, and NFAC (now DI) officers was held and the draft was returned to me. After further coordination and discussion, a draft was sent out for interagency coordination on March 6.

From March 9 through 11, coordination meetings on the draft were held; they proved very difficult. All the DIA analysts who had been involved originally had been replaced by people new to the subject who insisted on language emphasizing Soviet control of international terrorist activities. When the estimate, now ~~stripped down form and~~ lacking much analytic input, was finished on March 20, DIA submitted alternate judgments.

Director Casey read the estimate on March 24 and rejected it; he asked DIA to prepare a new draft. The second draft, completed on April 8, asserted that the Soviet Union was directly supporting and controlling most international terrorist activity. Casey liked the draft, but was convinced by the Director of NFAC (Bruce Clark) and the Director of the NIC (Richard Lehman) that, if issued, the draft would undermine the credibility of the intelligence community.

A completely new team was then selected to try a third draft. It was chaired by Ambassador Lincoln Gordon, newly arrived at CIA as a member of the Senior Review Panel. The new drafter, Richard Mansbach, was a visiting scholar from Rutgers University who had arrived at the agency in January. A new NFAC representative was chosen and NFAC was informed that it would not be allowed to note its dissent from the text.⁵ Instructions were given to start again, but Mr. Lehman emphasized that the paper was being written "under constraints."

I was the only one of the original group of analysts (all with experience in Soviet policy) who attended the coordination meetings on the third draft. I was told that I could not speak unless I were asked a direct question; Ambassador Gordon was gracious, however, and I did speak when what I considered to be serious misuse of operational material occurred.

A new draft was completed by mid-May. Its basic approach

⁵ Intelligence estimates usually represent the consensus of the community. When an agency differs from the agreed text and no compromise language can be found, a "footnote" may be taken. In a footnote, the dissenting agency is identified and makes its case.

was to widen the scope of the paper and to avoid definitions of terrorism and terrorist tactics. Rather, the draft subsumed terrorism into a broader category of revolutionary violence and emphasized that the Soviet Union, by providing support for revolutionary violence, supported international terrorism. I considered the approach misleading.

My division chief, Mel Goodman, and I wrote a memo to Director Casey, protesting the convoluted nature of the estimate and its implicit support for conclusions that could not be supported by evidence. We argued that such an estimate did a disservice to our policymakers by giving them a misleading picture of Soviet activities. We argued that this could distract attention from threatening (and real) aspects of Soviet policy and that it would undermine our credibility on other issues. We got no response.

TOPIC 3: Manipulation of Intelligence Process

I believe that the experience with the estimate on Soviet involvement in international terrorism convinced Casey that he needed better control over the estimative process. With its emphasis on coordination, institutional independence, and analytic objectivity, the process was not sufficiently responsive to Casey's interests. With the help of Bob Gates, Casey took a number of institutional steps designed to insure better control. The first was to stipulate that terms of reference and estimate drafts be cleared by the DCI's office before coordination. The second was the appointment of Gates as DI, giving him the ability to clamp down on intelligence production. During the period of Gates' tenure, the DI was effectively prevented from dissenting when its analysts disagreed with estimates of interest to Casey/Gates.⁶ The third, and most effective, action was to

⁶ The most damaging instance of this occurred in the May 1985 estimate on Iran. The SOVA analyst participating in that exercise, Brian McCauley, ~~had written the Soviet contribution to the estimate.~~ The NIO for the Near East, Graham Fuller, wrote his own version. According to Brian, Fuller announced at the coordination meeting that Gates had chosen his version. Although the Fuller version was not acceptable to Brian, he felt that there was little point in pursuing a dissent because the DI (Robert Gates) had already pronounced judgment. At a subsequent meeting of the DI's Management Advisory Group with Assistant Director of Intelligence Richard Kerr, I raised the subject of Brian's dilemma on this estimate in the context of a discussion of intimidation in SOVA. Kerr responded that, even if the analyst had been told that Gates, then the DI and Chairman of the NIC, had rejected his language, Brian should have pursued the issue. I considered such a response totally inadequate, ~~to be~~ failed to appreciate the lone and difficult position the analyst was in.

appoint Gates as Chairman of the National Intelligence Council. He thus had control of the two most important producers of intelligence analysis and was able to exert pressure on both.

Casey and Gates used various management tactics to get the line of intelligence they desired and to suppress unwanted intelligence. The latter is relatively simple because a given report or estimate can be dismissed on a variety of grounds (insufficient evidence, irrelevance, poor analysis, etc.) not clearly traceable to politicization. Direct pressure to produce supportive analysis, on the other hand, is risky because it requires open flaunting of the basic professional ethic of intelligence--that is the pursuit of objective reporting and analysis.

Personnel management is the most effective way to ensure consistent production of the desired line. Replacing experts with people willing to cooperate became a central element in the Casey-Gates approach to intelligence management, and the effects of this policy continue to hinder the production of quality intelligence.

TOPIC 4: William Webster's Efforts to Deal With Politicization

When Judge William Webster became DCI in 1987, he brought with him several aides. One, Mark Matthews, was interested in the issue of politicization and, on Judge Webster's behalf, conducted an ^{internal} investigation. I have no idea how many people he talked to, but I talked to him for several hours, trying to explain the culture and the corruption of process which had occurred under Casey and Gates. On my way in and out of his office, we were both careful to prevent my being seen by Bob Gates, who was then Deputy Director. This reflects the atmosphere of paranoia that pervaded the place by that time.

In subsequent telephone conversations, Mark told me that the Judge was very aware of the problem of politicization, that the Inspector General had included a paragraph on that subject in its report on SOVA, and that the IG personally had met with Judge Webster alone (specifically without Bob Gates) and had informed him that the inspection had yielded results even stronger than those found in the written report. I never saw the report nor did I have first-hand knowledge of such a conversation between Judge Webster and the IG, but I have no reason to think Mark Matthews was not telling the truth.

~~addressing the serious problems of the directorate and the agency.~~

Personal Conclusions

The culture in the intelligence directorate changed radically during the Casey/Gates years, and that culture continues to define the process. Whereas the pre-Gates ethic emphasized analytic independence and objectivity, the new culture is that of the "hired pen," loyal to the current leadership and its views. Whereas intelligence production should be based on informed and objective analysis of the available evidence, in the Gates' culture it is based on the anticipated reaction of senior managers and officials.

There is no question that reasonable people can differ--and, certainly, reasonable analysts can differ because evidence is always subject to interpretation. That is why the intelligence process was structured to ensure the airing of these differences and the necessity of dealing with them. That was the reason for competing offices, for coordination requirements, for the right to express dissent. That is also the foundation of the professional ethic of the intelligence analyst--the commitment to search for truth in the labyrinth of evidence, to pursue compromise where possible but to express dissent freely when compromise is not possible.

*I swear the above statement is
true to the best of my
knowledge and belief.*

Carolyn Rhedahl

Oct 2, 1991

STATEMENT OF

CHARLES E. ALLEN

3 September 1991

This statement responds to allegations made by Mr. Mel Goodman to the Senate Select Committee on Intelligence on 1 October 1991. I am pleased to do so because Mr. Goodman's statements about my actions during the White House-directed Iranian initiative are in some cases plain wrong or in others highly distorted. It is easy for him to make allegations; it is another matter to provide evidence that supports such allegations. The fatal flaw in Mr. Goodman's testimony is that the allegations concerning my actions are not true. Mr. Goodman has violated the professional intelligence officer's first principle--do not draw conclusions unless you have reliable evidence and do not--repeat do not--rely on hearsay.

First, I believe I must defend my institution--the CIA--from a particularly pernicious statement by Mr. Goodman, namely his assertion "... that the actions and the policies of a very few people in government, including the CIA, led to the sale of arms to the same Iranians who held US diplomats hostage for more than a year, and were linked--and we know this from intelligence sources--to the murder of more than 200 Marines in Lebanon, the savage bombing of the U.S. Embassy in Beirut ..." What is imputed here is CIA was an advocate from the outset in the sale of arms to Tehran. This simply is not true. From every account

that I have heard, including Mr. Casey's, the idea originated with senior officials of the government of Israel, including the Prime Minister. This is an indisputable fact. Mr. Casey told me that he was first informed in August 1985 by Mr. McFarlane of the fact an initiative had been agreed upon between the White House and Israel. CIA never--repeat never--encouraged the White House in this initiative, and John McMahon spoke strongly against it in December 1985 in a meeting chaired by President Reagan. After the fiasco of the shipment of Hawk missiles to Tehran in November 1985 and after the failure of the McFarlane trip to Tehran in May 1986, it was the government of Israel that continued to push the initiative--not the CIA. Israel's central role in this sad affair must be kept firmly in mind as you reflect upon Mr. Goodman's statements.

Second, Mr. Goodman has spoken with such great assurance about my role in the Iranian initiative, that of Mr. George Cave, and CIA's Counterterrorist Center. As far as his comments on my role is concerned, I am amazed that he is so categorical, especially because his assertions are so devoid of supporting evidence. We must start with one basic question; where did Mr. Goodman get his information? I have never--not once--discussed international terrorism or Iran's role in it with Mr. Goodman. In fact, I have not had a substantive discussion on an intelligence issue with Mr. Goodman since the 1970s. If he is relying, as is implied in his statement, on hearsay from a disgruntled senior analyst from the Directorate of Intelligence

who worked on Iran during the 1985-1986 timeframe, then I am deeply disappointed in his lack of professionalism. Engaging in ad hominem attacks is easy, but this is no substitute for serious analysis and good judgment.

Let us look at Mr. Goodman's assertions about me and evaluate them one-by-one:

a. Allegation:

Mr. Goodman has asserted--without providing any evidence--that I sent a memorandum to the NSC that said " ... that moderates [in Iran] were eager for improved relations with the United States, and that they were in sufficient charge to carry this policy out."

Fact:

To the best of my knowledge, I never wrote such a memorandum. Further, I do know that at no time did I tell anyone at the NSC that there were "moderates" in the Iranian Government who could ensure that relations with the United States would be improved; I could never have given such assurances. In fact, I told the NSC (Lt. Col. Oliver North) that individuals with whom the United States was in contact appeared to be extremists and radicals and that they had been associated with anti-U.S. terrorism.

b. Allegation:

"The NIO for Counterterrorism briefed the NSC on Iranian attitudes towards the United States. Again, the analysts of the Directorate of Intelligence were not consulted."

Fact:

I kept the NSC (Lt. Col. Oliver L. North) informed of the sensitive intelligence collected during the White House-directed Iranian initiative as well as on contacts with Mr. Ghorbanifar and Mr. Nir. The intelligence collected focused upon the Iranian intermediary involved and the Iranians with whom he was in contact. Only rarely did the intelligence contain anything that could be construed as reflecting Iranian attitudes towards the United States; the NSC received its own copies of this intelligence, although usually several hours after I had received it. While Mr. Goodman is correct in asserting that the analysts of the Directorate of Intelligence were not consulted, I had no authority to share the intelligence with these analysts. In fact, I explicitly was told by Director Casey not to do so. During my tenure as the NIO for Counterterrorism, I managed the preparation of 15 estimates and interagency memoranda on international terrorism, including assessments on Iranian involvement in terrorism. I also chaired monthly and ad hoc warning meetings

on terrorist threats worldwide. The senior analyst in the Directorate of Intelligence on Iran contributed heavily to all assessments involving Iran's role in terrorism, and his views were reflected in numerous papers. I wish to stress that I interacted with him and other colleagues in his branch frequently on the political dynamics in Iran and Tehran's role in terrorism.

As to Mr. Goodman's assertion there were no "moderates" in Iran at the time of the White House-directed initiative, the senior Iranian analyst within the Directorate of Intelligence produced a still-classified memorandum on 14 November 1986 after the initiative had become public knowledge that "three broad categories of Iranian leaders" had emerged since the revolution of 1979: radicals; pragmatists; and "a moderate-conservative coalition." I find it ironic that Mr. Goodman insists that such a faction did not exist and that a small group of people (read Charlie Allen and George Cave) misinformed the NSC and the President. The weight of evidence--something that this Committee values--indicates the facts are otherwise; the Directorate of Intelligence clearly recognized that a "moderate/conservative coalition" existed in Tehran and produced analysis on it, its composition, and outlook.

c. **Allegation:**

That the NIO for Counterterrorism and CIA's Counterterrorism Center briefed to the NSC that Iran's support for terrorism was down (apparently in the 1986 timeframe) but that neither the DI, nor any other intelligence agency, agreed with these views.

Fact:

There were, in fact, fewer international terrorist incidents that could be traced to Iranian support in 1986; this indisputable fact was reflected in Patterns of Global Terrorism, 1986, which was published in January 1988 by the US Department of State. In particular, there was less terrorism by Iran against American interests.

At no time, however, did I or any other Community intelligence officer attribute this decline to any decreased willingness on the part of Tehran to use terrorism--quite to the contrary. A still-classified interagency memorandum on Iran's role in terrorism was prepared under my aegis in November 1986 and coordinated at the Community level before Mr. Casey's testimony of 21 November 1986 to the Congress on the Iranian initiative. This memorandum reflected the sense of the Community on Iranian terrorism and "pulled no punches." It took a harsh view of Iran's involvement in terrorism and the intense hostility of Tehran towards Washington. Under my

leadership, Community assessments of Iran's terrorist activities consistently carried this conclusion. There was no "cooking of the book on terrorism." I believe both Ambassador Robert Oakley and Ambassador Paul (Jerry) Bremer (former Ambassadors-at-Large for combatting terrorism), will attest strongly to my objectivity when assessing Iran and terrorism. Both incidently were aware that an NSC-directed initiative towards Tehran was occurring at the time and they disapproved of the effort. This notwithstanding, they have attested on numerous occasions to the excellence of my work on counterterrorism and on the objectivity of my analysis. There was no "swerve" in the Community under my leadership on Iranian terrorism.

d. **Allegation:**

Mr. Goodman alleges that "Charlie Allen and George Cave, then working for Lt. Col. Oliver North on the shipment of missiles to Iran "... transmitted misleading and inaccurate information to the White House ... the action was one of serious misjudgment and corruption of the intelligence process ..."

Fact:

This is the most serious allegation made by Mr. Goodman and goes to the heart of the principles of intelligence and intelligence ethics. I have been told that Mr. Cave has responded separately to the Committee on this allegation and that he has asserted that this statement is untrue. In all my years as an intelligence officer, no one has ever questioned my integrity. Mr. Goodman, relying on hearsay, has done so. I understand this allegation stems--at least in part (it is difficult to determine from Mr. Goodman's statements on what his allegations are based)--from a couple of intelligence cables prepared by Mr. Cave as a consequence of his work in the Directorate of Operations. I was recently shown copies of these cables and vaguely recall reading them in the 1986 timeframe. The cables were interesting but were not important to my analysis of Iranian terrorism. I never used them in any discussion with anyone in the NSC. Mr. Goodman's comments are so tangled and enigmatic in this part of his statement that I find it difficult to even follow his train of thought. No one has ever accused me of a lack of integrity in intelligence analysis, and I challenge Mr. Goodman to provide the evidence to support his allegation.

In sum, Mr. Goodman's testimony is fatally flawed in regard to my activities as the NIO for Counterterrorism as well as to my intelligence collection activity in support of the NSC

initiative. His statement contains serious distortions, misperceptions, and plain inaccuracies. He has made serious charges without providing evidence. I regret that Mr. Goodman has resorted principally to ad hominem attacks and hearsay--and has avoided dealing with the facts.

I wish to make one further point--and this is my opinion but which is based on years of observation. There seems to me to be another explanation for the unhappiness of the political analysts with Bob Gates--one that has not come out before. Admiral Inman pointed out that there was unhappiness that Gates was put in charge at such a young age, and without experience as a mid-level manager and that, he "broke some china." But there was more to it.

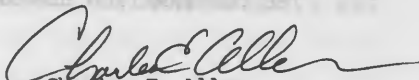
The production of national-level intelligence has always been a competitive business. In my opinion, what Bob Gates did--much to the consternation of many veterans--was to change the rules of the game. Based on his experiences in the White House, Bob Gates saw that intelligence reporting, especially political reporting, was a mixture of fact and analytical opinion that left the reader frequently unable to decipher which was which. He changed that. He insisted that the data be presented and the source of the data identified. Then analysis and conclusions could be drawn, but they had to be logically drawn from the facts--something Mr. Goodman has failed to do.

This was in stark contrast to previous procedures, where senior analysts' views took precedence over junior analysts' views. Rank then meant something in an argument. Now senior analysts were challenged as to the basis of their arguments, and a statement that it was based on their many years experience went on deaf ears. Their many years of experience did not count for anything if they could not defend their view according to rules of evidence and based on facts.

With this, the production of intelligence became much more competitive. The whole structure of arguments changed. Those that could not compete, and who lost out in the fray, seeing results come out different from their preconceived views, saw this change as a politicization of the process, rather than a more open discussion, founded on definite rules of evidence.

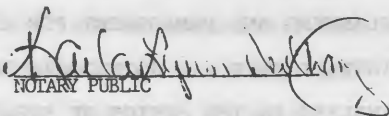
This also explains why the technical analysts, as represented by Larry Gershwin, never felt the so-called politicization. Casey and Gates had every bit as much interest in Soviet military force developments as they did in Soviet politics. The difference was that scientists and engineers, by training, are accustomed to being challenged and to defending their conclusions according to rules of evidence. It was never thought to be a challenge to their manhood, as it was seen to the long-time political analysts.

Bob Gates' change has been good for the Agency and our customers. The format of our publications still reflects Gates' directives. Articles in the National Intelligence Daily (NID), for example, still begin with the facts, followed by a distinctly identified "comment" section where results of analysis and opinions can be presented.


Charles E. Allen

STATE OF VIRGINIA
COUNTY OF FAIRFAX, to-wit:

Subscribed and acknowledged to before me this 2nd day of October, 1991 by Charles E. Allen.


NOTARY PUBLIC

My commission expires: 31 July 1994

3 October 1991

STATEMENT OF LANCE W. HAUS
TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE
IN THE MATTER OF
THE CONFIRMATION HEARINGS ON ROBERT M. GATES

1. MR. CHAIRMAN, DISTINGUISHED MEMBERS OF THE COMMITTEE, STAFF, AND COUNSEL, I THANK YOU FOR THE OPPORTUNITY TO PROVIDE THIS NOTARIZED STATEMENT TO YOU. MY NAME IS LANCE W. HAUS. I AM CURRENTLY CHIEF OF RESOURCE PLANNING AND MANAGEMENT FOR CIA'S DIRECTORATE OF INTELLIGENCE. I JOINED CIA IN 1976 AS A SOVIET MILITARY ANALYST IN THE OFFICE OF STRATEGIC RESEARCH, ONE OF SOVA'S PREDECESSOR UNITS. IN 1981, I WAS ASSIGNED TO THE NEWLY CREATED OFFICE OF GLOBAL ISSUES (OGI), WHERE I SUBSEQUENTLY SERVED IN A VARIETY OF BRANCH, DIVISION, AND GROUP MANAGEMENT POSITIONS. MOST RELEVANT, HOWEVER, IS THAT FROM 1983 TO 1985, I WAS IN CHARGE OF OGI'S TERRORISM ANALYSIS EFFORT. SPECIFICALLY, I WAS THE LINE MANAGER WHO OVERSAW THE RESEARCH, WRITING, AND COORDINATION OF THE 1985 INTELLIGENCE ASSESSMENT OF THE POSSIBLE SOVIET ROLE IN MEHMET ALI AGCA'S ATTEMPT ON THE POPE'S LIFE.

2. LIKE THE OTHER AGENCY OFFICERS WHOM YOU HAVE INVITED TO SPEAK TO YOU OR OFFER WRITTEN TESTIMONY, I AM NOT

PROVIDING THIS STATEMENT AS AN ADVOCATE BUT, RATHER, TO SET FORTH WHAT FACTS I CAN TO HELP INFORM YOUR DELIBERATIONS. IN THIS ROLE I BELIEVE I HAVE ONE ADVANTAGE OVER SOME WHO HAVE ALREADY TESTIFIED TO YOU OR OTHERWISE SPOKEN PUBLICLY ABOUT THIS REPORT: I WAS PERSONALLY INVOLVED IN ITS TASKING, PREPARATION, AND REVIEW. IN OTHER WORDS, I WAS THERE.

3. I WOULD LIKE TO DESCRIBE BRIEFLY, FIRST, MY PERCEPTIONS OF HOW THE REPORT IN QUESTION WAS HANDLED IN THE INTELLIGENCE DIRECTORATE, AND, SECOND, MORE GENERALLY MY OWN FIRST HAND EXPERIENCE AS A LINE MANAGER OF INTELLIGENCE ANALYSIS WHILE MR. GATES WAS DDI. LET ME UNDERSCORE THAT I BASE MY OBSERVATIONS ONLY ON INFORMATION OF WHICH I HAVE DIRECT KNOWLEDGE. I THINK THIS IS IMPORTANT TO NOTE, BECAUSE A FAIR AMOUNT OF THE TESTIMONY WHICH I HAVE HEARD TO DATE ON THE SUBJECT OF POLITICIZATION OF ANALYSIS, THOUGH SINCERELY OFFERED TO THE COMMITTEE, APPEARS TO COME SECOND AND THIRD HAND AND INVOLVES FREQUENT CONJECTURES.

4. REGARDING THE PAPER ON THE PAPAL ASSASSINATION ATTEMPT, I WANT TO SAY UP FRONT THAT OUR INTENTION WAS TO PRODUCE AS ACCURATE, ANALYTICALLY SOUND, AND HONEST AN INTELLIGENCE REPORT AS WE COULD. THAT WAS MY GOAL; I KNOW IT WAS THE GOAL OF THE PRINCIPAL AUTHOR, BETH SEEGER, AND THE PRINCIPAL CONTRIBUTING AUTHOR, KAY OLIVER; AND I HAVE NO REASON TO BELIEVE IT WAS NOT THE GOAL OF THE TWO MOST SENIOR

MANAGERS INVOLVED, MR. COHEN AND MR. GATES. AT THE TIME WE DID THE PAPER, NONE OF US EVER IMAGINED THAT IT WOULD PROVOKE THE KIND OF CONTROVERSY THAT WOULD CAUSE US TO WRACK OUR BRAINS NEARLY SEVEN YEARS LATER TO RECALL INTERNAL DETAILS OF THE CASE AND HOW WE DID OUR WORK. BY THE SAME TOKEN, HOWEVER, I FIND IT NOTEWORTHY THAT BETWEEN COMPLETION OF THE REPORT IN 1985 AND THE ONSET OF THESE HEARINGS THIS YEAR, NO ONE AT THE AGENCY EVER MENTIONED THE REPORT OR THE CASE TO ME OTHER THAN TO ASK WHETHER WE EVER GOT FURTHER EVIDENCE ONE WAY OR THE OTHER. MOST CERTAINLY, NO ONE EVER SUGGESTED OR EVEN HINTED TO ME THAT I AND THE OTHERS HAD ENGAGED IN WHAT SOME MIGHT NOW LABEL--INCORRECTLY--AN EXAMPLE OF POLITICIZED ANALYSIS.

5. I WANT TO STATE VERY CLEARLY: MUCH OF WHAT I HAVE HEARD RECENTLY CHARGED ABOUT HOW WE DID THIS REPORT IS, BASED ON MY PERSONAL EXPERIENCE, JUST FLAT WRONG. THIS IS WHY I THINK SO.

6. FIRST OF ALL, WE DID NOT DO THE PAPER IN SECRET. BETH SEEGER WAS AN EXCEPTIONALLY WELL QUALIFIED ANALYST IN OGI. SHE HAD THE LEAD ROLE FOR THE DIRECTORATE ON THE CASE SINCE 1983--LARGELY, I MIGHT ADD, BECAUSE NEITHER OF THE REGIONAL OFFICES SAW IT AS ANYTHING OTHER THAN AN ISOLATED INSTANCE OF TERRORISM. FOR THE NEARLY THREE YEARS LEADING UP TO THE WRITING OF THE PAPER SHE CONSULTED CLOSELY WITH OTHER ANALYSTS THROUGHOUT THE DIRECTORATE. SHE CONSULTED

WITH THE KEY REPORTS AND CASE OFFICERS IN THE OPERATIONS DIRECTORATE. SHE HAD ACCESS TO ALL THE INFORMATION AVAILABLE IN THE AGENCY. IT WAS WELL KNOWN THAT BETH WAS WORKING ON THE CASE, THAT THERE WERE MANY INTERESTED CONSUMERS FOR WHAT SHE MIGHT TURN UP, AND THAT SHE APPROACHED HER TASK AS AN HONEST INVESTIGATOR. SHE WROTE EXTENSIVELY ON THE CASE--MUCH AT OUR OWN INITIATIVE. NONE OF THIS WAS CONCEALED FROM ANYONE.

7. IN EARLY 1985, IT BECAME CLEAR TO BOTH BETH AND ME THAT WE HAD ENOUGH INFORMATION TO SAY SOMETHING LESS EQUIVOCAL THAN OUR EARLIER PRODUCTION. JUDGE MARTELLA HAD FINISHED HIS INVESTIGATION, AND WE ALSO HAD SOME VERY SENSITIVE HUMAN SOURCE REPORTING THAT ILLUMINATED THE CASE IN AN UNEXPECTED DIRECTION. I MADE A RECOMMENDATION TO DAVE COHEN THAT WE WERE FINALLY IN A POSITION TO WRITE A FAIRLY COMPREHENSIVE REPORT ABOUT WHETHER THE SOVIETS HAD BEEN INVOLVED. THIS, I MIGHT ADD, WAS REALLY THE KEY INTELLIGENCE QUESTION--OTHERWISE, ALL WE HAD WAS AN ISOLATED TERRORIST INCIDENT. ABOUT THE SAME TIME--AND I JUST DON'T KNOW WHETHER OUR RECOMMENDATION STIMULATED THIS OR WHETHER IT WAS JUST COINCIDENCE--MR. GATES INDICATED TO DAVE COHEN THAT WE SHOULD WRITE A PAPER ASSESSING THE POSSIBLE SOVIET ROLE IN LIGHT OF THE FACTS OF THE CASE AND THE LATEST DIRECTORATE OF OPERATIONS REPORTING.

8. MR. GATES MET WITH ME, DAVE COHEN, AND, I BELIEVE, BETH SEEGER. WE GAVE HIM AN OUTLINE FOR THE REPORT, AND HE ACCEPTED IT. HE INDICATED THAT HE WANTED IT TO BE A JOINT PAPER, WITH SOVA EXPLORING THE POSSIBLE PRECEDENTS AND MOTIVATIONS FOR MOSCOW. HE SAID HE WANTED NORMAL REVIEW AND COORDINATION TO TAKE PLACE--AND I AM VERY SURE ON THIS POINT. HE DID SAY, HOWEVER, THAT WE NEEDED TO LIMIT DISTRIBUTION TO INDIVIDUALS IN THE VARIOUS OFFICES WITH A NEED TO KNOW BECAUSE OF THE SENSITIVITY OF THE HUMAN SOURCE REPORTING AND THE POTENTIALLY VOLATILE IMPLICATIONS FOR OUR DIPLOMATIC RELATIONS WITH THREE COUNTRIES. I DO NOT RECALL HIS SETTING A SPECIFIC TIMETABLE, BUT WE INFERRED THAT HE WANTED THE REPORT COMPLETED EXPEDITIOUSLY. (DAVE COHEN AND I SUBSEQUENTLY SET A SCHEDULE THAT PRODUCED AN APPROVED DRAFT IN ABOUT A MONTH--FAST, BUT NOT UNUSUALLY SO FOR A HIGH PRIORITY PROJECT IN OGI.) BY THE WAY, NONE OF THIS SEEMED ABNORMAL TO ME AT THE TIME--NOR DOES IT SEEM SO NOW IN RETROSPECT.

9. THE BOTTOM LINE IS THAT THERE WAS NOTHING INVOLVED HERE FROM MY PERSPECTIVE THAT WAS HIDDEN OR DONE TO AVOID SCRUTINY. AT NO POINT DID MR. GATES SPECIFY OR SUGGEST WHAT OUR FINDINGS SHOULD BE. ALL OF US KNEW THAT MR. CASEY WAS STRONGLY INCLINED TO BELIEVE THE SOVIETS HAD PLAYED A ROLE. MR. GATES REPEATED THAT HE WAS AGNOSTIC ABOUT THE ISSUE--AND I HAD NO REASON NOT TO BELIEVE HIM. SO IN THIS SENSE, BOTH I AND, I BELIEVE, THE AUTHORS SAW THIS AS A NORMAL PROJECT.

NONE OF US FELT ANY PRESSURE TO HAVE THE REPORT SAY ONE THING OR ANOTHER.

10. SECOND, THE PAPER WAS FULLY COORDINATED. I CAN PROVE THIS BECAUSE BETH SEEGER KEPT SOME OF THE COORDINATION COMMENTS, AND I NOW HAVE THEM IN MY OFFICE. SHE AND KAY OLIVER COORDINATED IT AT THE WORKING LEVEL IN BOTH DI AND DO AND ALSO WITH THE NIO FOR THE SOVIET UNION. AT LEAST A DOZEN--AND PROBABLY TWICE THAT MANY--EXPERTS READ IT. WE MADE A LOT OF CHANGES, BUT THE FINAL VERSION WAS CLEARED BY VIRTUALLY EVERYONE WHO KNEW ANYTHING ABOUT THE CASE. THE REPORT ALSO HAD NORMAL REVIEW: BY ME, DAVE COHEN, OUR COUNTERPARTS IN SOVA, AND MR. GATES, WHO REVIEWED ALL DIRECTORATE PRODUCTION. MY POINT HERE: WE WORKED TO EXPEDITE THE REPORT, BUT WE ALSO FOLLOWED STANDARD PROCEDURES. AT NO TIME DID EITHER MR. GATES, MR. COHEN, OR ANYONE ELSE SUGGEST WE NOT DO SO.

11. THIRD, THE ANALYSIS WAS BALANCED AND SOUND, IN MY JUDGMENT, AND ANCHORED IN THE FULL BODY OF INFORMATION AVAILABLE ON THE CASE. THE REPORT WE DRAFTED ACCURATELY DESCRIBED BETH SEEGER AND KAY OLIVER'S BEST ASSESSMENT OF THE FACTS AND INFORMED COMMENTARY BY EARLIER ANALYSTS OF THE CASE. IN OTHER WORDS, THOUGH THE AUTHORS WERE NOT OFFERING A "TEAM A/TEAM B" KIND OF TREATMENT, THEY HAD WEIGHED ALL THE MATERIAL AT HAND AND BELIEVED IN THE ASSESSMENT THEY WERE PRESENTING. INDEED, I FOUND THE PAPER TRUE TO THE

INFORMATION AND CONVINCING IN ITS ARGUMENT. THE PRESENCE OF A SENSITIVE HUMAN SOURCE WAS A KEY ELEMENT IN OUR CONCLUSIONS, BUT NOT THE ONLY ONE. I WOULD ADD THAT THE OPERATIONS OFFICERS INVOLVED WITH THE SOURCE'S REPORTING WERE FRANK AND FORTHCOMING ABOUT THE LIMITATIONS AND CREDIBILITY OF THEIR MATERIAL--AND WE QUALIFIED OUR DESCRIPTIONS OF THE SOURCE IN THE PAPER EXACTLY AS THEY SPECIFIED. IF THEY HAD SERIOUS DOUBTS ABOUT THE SOURCE, THEY NEVER VOICED THEM TO US.

12. FOURTH, MR. GATES MADE NO CHANGES TO THE DRAFT SUBMITTED TO HIM OTHER THAN FAIRLY MINOR EDITORIAL ONES. INDEED, I BELIEVE HE ALSO ADDED A FEW ADDITIONAL CAVEATS. HIS CONCERN, IF I REMEMBER CORRECTLY, WAS THAT WE NOT GO BEYOND WHERE THE INTELLIGENCE INFORMATION WOULD CARRY US. LET ME BE VERY CLEAR ON THREE RELATED POINTS: MR. GATES DID NOT DROP ANY SCOPE NOTE--I DOUBT HE EVER SAW THE PREFATORY PARAGRAPH OFFERED BY SOVA TO ITS INITIAL DRAFT CONTRIBUTION. I ELIMINATED IT AFTER CONSULTATION WITH KAY OLIVER, DURING MY FIRST REVIEW OF THE PAPER. I THOUGHT IT WAS WISHY WASHY AND REDUNDANT. THOUGH HE REVIEWED THEM, MR. GATES DID NOT DRAFT OR REDRAFT THE KEY JUDGMENTS--I DID, WITH HELP FROM BETH SEEGER AND KAY OLIVER. FINALLY, MR. GATES DID NOT DRAFT THE TRANSMITTAL NOTES--ALTHOUGH HE CERTAINLY REVIEWED THEM. AGAIN, I DID. THIS WAS STANDARD PROCEDURE. MY SECRETARY TYPED THEM, AND I KNOW FOR SURE BETH SEEGER SAW THEM. SOME SUGGEST THE NOTE IS AT VARIANCE WITH THE

REPORT'S FINDINGS. I THINK A CLOSE READING OF BOTH WILL SHOW THEY ARE CONSISTENT.

13. FOURTH, AT NO POINT IN THIS PROCESS DID I FEEL THAT THE AUTHORS OF THE REPORT OR MYSELF WERE BEING MANIPULATED TO A PREDETERMINED END. LET ME BE BLUNT: FRANKLY, I DID NOT GIVE A DAMN ABOUT WHAT PRECONCEPTIONS ANY POLICYMAKER, INCLUDING MR. CASEY, HELD WITH REGARD TO THE CASE, BECAUSE AS FAR AS I WAS CONCERNED THE PAPER WE TURNED IN REPRESENTED OUR BEST ANALYSIS OF THE INFORMATION AVAILABLE. I STILL DO. SIMILARLY, AT NO POINT IN REVIEW OR COORDINATION DID I GET ANY SENSE FROM THE READERS THAT THEY FELT COMPELLED TO GIVE US A GREEN LIGHT. IF THEY HAD SO INDICATED, THEN I WOULD HAVE GONE IMMEDIATELY TO DAVE COHEN AND, IF NECESSARY, MR. GATES. I DO NOT DO CONTRIVED ANALYSIS, AND I DO NOT WANT TO GET CONTRIVED COORDINATION.

14. AFTER THE FACT--AND AT LEAST PARTLY IN RESPONSE TO PFIAB CONCERNS THAT WE WERE NOT DOING ENOUGH ON THE POPE CASE--MR. GATES COMMISSIONED A PRODUCT EVALUATION STAFF REVIEW OF THE RECORD. BY AND LARGE, IT STRIKES ME AS A FAIR TREATMENT, BUT I ALSO BELIEVE THAT IT IS MISLEADING IN CITING PERCEPTIONS THAT WE HAD NOT PLAYED ENTIRELY BY THE RULES IN PREPARING AND COORDINATING THE REPORT. I WOULD UNDERSCORE THE WORD "PERCEPTIONS" BECAUSE I THINK MOST OF THE PROBLEMS WERE PERCEIVED RATHER THAN REAL ONES. IN

RETROSPECT, I CAN'T THINK OF ANYTHING I WOULD HAVE DONE DIFFERENTLY.

15. PERMIT ME TO CONCLUDE WITH A FEW MORE GENERAL COMMENTS. I HAVE BEEN A CIA ANALYST FOR ALMOST SIXTEEN YEARS. THERE IS NO CONCERN MORE CENTRAL TO THE INTEGRITY OF A WORKING ANALYST THAN TO AVOID POLITICIZATION. THERE IS ABSOLUTELY NO CHARGE MORE INSULTING OR HURTFUL TO AN ANALYST THAN THAT HE OR SHE ENGAGED IN POLITICIZED ANALYSIS. THUS, IF IN MY REMARKS I APPEAR TO HAVE TAKEN OFFENSE FROM WHAT SOME HAVE SAID ABOUT HOW WE DID OUR BUSINESS IN CERTAIN REGARDS, IT IS BECAUSE I DO TAKE OFFENSE.

16. DURING THE PERIOD MR. GATES WAS DDI, I HAD A CHANCE TO INTERACT WITH HIM RELATIVELY OFTEN, ON ANALYTIC ISSUES RANGING FROM SOVIET OIL TO MIDDLE EASTERN TERRORISM TO THE PAPAL ASSASSINATION ATTEMPT. AS HAS BEEN STATED BY OTHERS, HE IS AN INDIVIDUAL OF STRONG VIEWS AND A FORCEFUL ADVOCATE OF AN ACTIVIST ROLE FOR THE INTELLIGENCE ANALYST. HE IS ALSO A VERY DEMANDING AND AGGRESSIVE INTELLIGENCE MANAGER OF BOTH PEOPLE AND THEIR PRODUCT. HE FREQUENTLY PUSHED ME AND MY ANALYSTS TO WORK HARDER, TO WRITE MORE, TO ARGUE MORE CONVINCINGLY, AND TO BE MORE RELEVANT TO THE CONCERNS OF THE POLICYMAKER--EVEN IF THESE SOMETIMES SEEMED SOMEWHAT ILLOGICAL OR FRIVOLOUS TO US. WHAT HE DID NOT DO, HOWEVER, IN THE CASE OF OUR ANALYSIS OF THE PAPAL ASSASSINATION ATTEMPT OR IN ANY OF THE OTHER INSTANCES IN

WHICH I DEALT WITH HIM DIRECTLY WAS TO POLITICIZE OUR ANALYSIS OR TO POINT OUR ANALYSTS TO ANY POLITICALLY DETERMINED LINE OF REASONING. IF HE HAD TRIED TO DO SO, I WOULD HAVE PROTESTED. IF HE HAD INSISTED, I WOULD HAVE RESIGNED. AS YOU CAN SEE, HOWEVER, I AM STILL WITH THE AGENCY TODAY.

I swear that the above statement is true and complete

Lance W. Haus

3 Oct 91

STATE OF VIRGINIA
COUNTY OF FAIRFAX, to-wit:

Subscribed and acknowledged to before me this 3rd day of October 1991 by Lance W. Haus as his true and accurate statement.


NOTARY PUBLIC

My commission expires: 31 July 1994

STATEMENT OF DAVID COHEN

TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE

1. Mr. Chairman, Members of the Committee, I am offering this sworn statement to answer questions regarding CIA analytical work on the papal assassination plot. Most of my career with the Agency has been spent in the Directorate of Intelligence, where I have held positions that included Director of the Office of Global Issues (OGI) and Deputy Director of the Office of Economic Research. I am currently a division chief in the Directorate of Operations. Altogether I have been with Central Intelligence Agency almost twenty six years, joining in 1966.

2. I was one of the Intelligence Directorate managers most directly involved in the production of the April 1985 intelligence assessment addressing possible Soviet involvement in Agca's assassination attempt on Pope John Paul II. As Deputy Director of the Office of Global Issues (OGI) from 1981 through 1985, I was the senior Directorate manager and reviewer for that paper and associated research. Mr. Lance Haus, the first line manager who oversaw the research and preparation of that report and who is here today, reported to me both in general and for the purposes of the study.

3. I offer the following facts concerning the preparation of the papal study deriving from the position I held. One question that has been raised involves how and why the study was commissioned.

- o Directly or indirectly the study was initiated as a result of new information that was coming to us in late 1984 and early 1985, including information involving possible foreign involvement in the assassination attempt.
- o Although we never had incontrovertible evidence of foreign involvement, the cumulative effect of the additional information meant we needed to take stock of what we knew regarding these possibilities.
- o As a result of discussions between OGI management and Mr. Gates and others, including the Director of the Office of Soviet Analysis, the decision was made to go ahead with the preparation of the study. The decision coincided with an independent recommendation from Mr. Haus and the OGI analyst working on this case that a report should be written.

4. The paper we prepared was a joint study involving the Office of Global Issues and the Office of Soviet Analysis. OGI, which had been handling the Papal case since 1981, had the lead.

o There was a solid consensus among the senior managers as well as first line officers and analysts that the report should examine the plausibility of Soviet involvement in the assassination attempt.

o We agreed not to try to prove or disprove Soviet responsibility; the paper that emerged instead weighed the case for their involvement based on the evidence available.

5. From my perspective as one of the senior managers in the Directorate of Intelligence responsible at that time for the Agency's analytic work on terrorism, this was a legitimate and responsible question to pursue. The committee should be aware that at no time in the discussions did I or anyone above my level encourage or pressure anyone implicitly or explicitly to ignore any evidence regarding any aspects of the case.

6. Regarding how the paper was produced.

o It was not prepared in secret -- or in camera -- as alleged in earlier testimony. All the people that had a need to know were engaged one way or another. The only limiting factor was the sensitivity of some of the source

material. My analyst and first line supervisor knew they should involve anyone they felt appropriate and, based on my conversations with Mr. Haus, I believe they did.

- o Normal procedures for review and coordination were observed. This was the instruction from me to my people and from Mr. Gates as well. Mr. Haus, I believe, can comment on the issue of coordination and has copies of coordination comments from numerous people who reviewed the report.
- o Highly qualified analysts were responsible for the study. The principal OGI analyst -- Ms. Beth Seeger -- had worked on the Papal case full time for about three years at the time of the study; she was among the most knowledgeable persons anywhere regarding the details of the case. The principal Soviet analyst -- Ms. Kay Oliver -- had many years experience on the USSR and is highly regarded for her professionalism and know-how. The first line manager -- Mr. Lance Haus -- was among the Directorate's best senior reviewers with three years experience on terrorism and before that seven years' worth of experience on Soviet military and Soviet economic security matters.

7. There has been discussion of a scope note. Earlier testimony alleged that it was removed prior to publication by Mr. Gates. This is inaccurate. The so-called scope note was an introductory paragraph appended to the SOVA contribution to the paper. Mr. Haus consulted with Ms. Oliver and they agreed between themselves that a scope note was not needed given the title of the paper. Consequently, one was never forwarded to me or to Mr. Gates as part of the reviewing package. It has also been alleged in earlier testimony that Mr. Gates rewrote the key judgments, rewrote the summary, and added his own cover note that no one saw. All of these allegations are false.

- o The key judgments were prepared under the auspices of Mr. Haus not Mr. Gates. Moreover, except for a few editorial changes in the seventh floor review process, the key judgments were left as prepared.

- o The summary constituted a road map to the paper and was prepared by the OGI analyst and Mr. Haus with no substantive guidance from the seventh floor.

- o Regarding the cover memo sent by Mr. Gates, Mr. Haus remembers drafting it at the request of Mr. Gates. For a paper as important as this one, such a request was neither unusual nor unexpected. The letter would not

have been produced without my having seen it first. Although I do not remember the specifics, I obviously saw nothing wrong in the language of the cover note. If I had I would have acted on it.

8. I have been asked why the report was apparently rushed. My recollection is that I was eager to see the report put together and brought to fruition as quickly as possible. A great deal of work had already been done on the case in OGI, we had the availability of a top notch SOVA analyst -- Ms. Oliver -- and we had working level access to people in the Directorate of Operations. We had not done a full scale assessment of the evidence since 1983 and it was time to get on with the job of putting together what we knew. I was never given a fixed deadline to work against.

9. The attempt on the Pope's life clearly was a controversial issue. From my perspective no one made an attempt to influence, slant or bias the analysis that was contained in the 1985 report one way or another. The analysts were asked to assess the evidence of Soviet involvement in the assassination attempt, the officers best suited to do the report by virtue of their knowledge of the case did the report and they did an excellent job. I found the seventh floor involvement in the paper appropriately detached and the questions asked by Mr. Gates probing but not pointed

toward a particular outcome. In fulfilling our responsibility to take on controversial issues I do not believe that there were violations of truth or process.

I swear that the information provided above is fully accurate and complete to the best of my knowledge.

subscribed before me this 23

1994

Notary Public

David Cohen

**Statement By Elizabeth T. Seeger For Senator David Boren
and Senator Frank Murkowski, of the Senate
Select Committee On Intelligence**

I believe I am uniquely qualified to comment on charges that Mr. Robert Gates politicized intelligence during his tenure as CIA's DDI. I was the principal author of the 1985 intelligence assessment on the question of Soviet involvement in the attempt to assassinate the Pope. Unlike Mr. Mel Goodman, who has addressed the Committee on this issue, I have firsthand knowledge of the research and production of this assessment. In addition, I am now a private citizen, having resigned from the Agency earlier this year to be a homemaker. I therefore have no vested interest in providing this written statement. The assertions of manipulation made by Mr. Goodman and others regarding this case are both without foundation and personally insulting to me. I therefore wish to set the record straight based on my unique vantage point.

Mr. Gates never attempted to manipulate me or my analysis on the Papal case. He never told me what or how to investigate the case, nor did he tell me what to write or what conclusions to reach. He never expressed or even hinted at his own personal view on the question of alleged Soviet involvement, frequently characterizing himself as "agnostic" about the case. According to all the evidence available to me, Mr. Gates never engaged in any type of manipulation or politicization of this issue. His attitude affirmed my sense that I was a "free agent" as I went about the task of examining the multitude of information on the case.

Mr. Gates did not direct me to find a "smoking gun" of Soviet involvement in the Papal attack. I tested the hypothesis of Soviet complicity and presented the results in the study. The final report was a thorough and honest treatment of the subject. Indeed, even critics agreed it was well-done and comprehensive. I wrote the assessment--with contributions from two SOVA analysts--after having examined all of the available evidence, and after levying requirements on the DO for additional information on the case. In the paper reporting was carefully used, and DO guidelines were strictly adhered to in characterizing DO source reliability. In contrast to Mr. Goodman's recent statement on this subject, the DO never expressed any hesitation in the use of its sources.

I can recall instances when Mr. Gates made specific efforts to ensure that the analysis was *not* misrepresented in any way. Prior to publication of the paper, for example, an individual on the seventh floor urged that the paper's title be altered to strengthen the link between the assassination attempt and the Kremlin. Mr. Gates refused to change it. He clearly did

not want the title to go beyond what the paper could honestly say. He did not want to misrepresent the conclusions of the assessment. Mr. Gates further attempted to ensure the quality and objectivity of the research and analysis by periodically requiring internal critiques of work pertaining to the case. I can recall three such critiques having been done.

Assertions by Mr. Goodman to the contrary, the study was not prepared secretly. No relevant offices or analysts were excluded from participating in the examination of the case or in the production of the final report. Some self-screening may well have occurred by individuals who considered the case to be of historical interest--because the event had occurred some years earlier--but not of intelligence value. It was not a "hot" current intelligence topic, and consequently not of great interest to many of my colleagues who preferred the dynamism of current intelligence. We were discreet in preparing the study, principally in deference to DO concerns about source sensitivity, but also because of concerns that the U.S. not be seen as interfering in matters under consideration by the Italian judiciary. Nevertheless, standard Agency procedures were followed in producing the paper, and all appropriate DI offices signed off on it, including SOVA, and the DO.

I would like to conclude with my personal impressions of Mr. Gates, based on my experience with the Papal case. He is an innovative leader, a brilliant intelligence official, a serious individual who is a quick study and seeks credible intelligence analysis, and a person with a razor-sharp sense of the relationship of intelligence to policymaking. He has been attacked unfairly with regard to this case. I can state this unequivocally because I was the Agency's key person on the Papal case for years and was in a position to know whether manipulation or politicization of intelligence occurred. Neither did. Based on my experience, I can think of no individual more highly qualified than Mr. Robert Gates to lead the U.S. intelligence community into the next century.

I swear to the accuracy of this account.

Elizabeth T. Seeger
Elizabeth T. Seeger
October 3, 1991

just October 91
State Maryland
David L. Chinora

July 1, 92

Mr. GATES. Mr. Chairman, could I have copies.

Chairman BOREN. Absolutely. Copies will be made available to the nominee. That's only fair, and we will make sure that you receive those.

Any other questions from Members of the Committee?

Senator CHAFEE. Could you give the batting order for this afternoon?

Chairman BOREN. Senator DeConcini will begin, followed by the distinguished Senator from Rhode Island, Mr. Chafee. Senator Rudman, Senator Metzenbaum, Senator Danforth, Senator Warner, Senator Gorton, Senator Bradley, Senator Nunn, Senator Cranston, Senator Hollings and Senator D'Amato.

We will not go past the hour of 6 p.m., having gone so late last night. We will resume again in the morning if we have not completed the questions. We will also continue tomorrow if we have classified questions to be asked of the nominee and to finalize our own closed door meeting on the matter of intelligence collected involving Congressional staff and Members.

We will stand in recess until 2 o'clock.

[Thereupon, at 12:42 p.m., the Committee was recessed, to reconvene at 2 p.m. the same day.]

AFTERNOON SESSION

Chairman BOREN. We will come back to order.

If we could clear the well, please.

We are now in the process of questioning the nominee by Members in rotation. As I indicated before the recess, the next round of questions will be asked by Senator DeConcini. And I would again remind the nominee that this testimony continues to be under oath.

Following Senator DeConcini, the next questions will be asked by Senator Chafee, and then Senator Rudman and then Senator Metzenbaum:

Senator DeConcini, you are recognized.

Senator DeCONCINI. Mr. Chairman, thank you.

Good afternoon, Mr. Gates. Thank you for the long period of time that you have testified today. It is quite important that we review the allegations presented to the Committee in as much detail as we can and that you have an absolute opportunity to respond fully, which your statement this morning certainly attempted to do.

Let me just lay out where I'm coming from so you understand, Mr. Gates. One of the problems I have here is that I don't believe Mr. McMahon when he says there has never been any politicization in the CIA. I don't think too many people believe that. In this town, here is politicization in every facet of life here, as I interpret it.

What troubles me, and I understand that some politics goes on in any agency, is whether or not you or anyone else there, knowingly participated in it to satisfy your superiors.

I guess one of the problems here, the man that you worked for when you were the Deputy Director is, of course, deceased. So it is left with you and you have laid out your contradiction to the alle-

gations that you did politicize and we've got to make a judgment from that.

Let me just go into one area. There are several that I may have time to address here, and I don't pick this one because it is of any greater significance than any other analysis of the Soviet Union, but I pick the Papal assessment, done I believe in 1985. Let me just ask you some preliminary questions.

Did Mr. Casey ask you to have an assessment of this draft? Is that correct?

Mr. GATES. I don't remember specifically, Senator. I know that Casey was very unhappy that we hadn't done more on the question and that he—

Senator DECONCINI. That's good enough.

My next question is, according to Mr. MacEachin, you came to him and asked him to put together that assessment. Can you verify that, that you did ask him?

Mr. GATES. Yes, sir. I have no reason to quarrel with that.

Senator DECONCINI. And that you told him—I don't know the exact term, but to keep it close to the chest is the best I can say, don't share it with everybody in his area and to restrict it. He said that last night.

Do you recall that?

Mr. GATES. That it was a close hold estimate, because it involved some very sensitive resources.

Senator DECONCINI. Mr. MacEachin said last night that was certainly not common, and Mr. Ford said that was not common. And others have said that was unusual.

My question to you, given that I just laid out, that it is uncommon and that you asked him to do it and not to make it known to a lot of people, you don't remember who asked you or what prompted you to go get this assessment?

Mr. GATES. I know that we had received a new body of information over the course of the winter and it may have been my idea that it was time to take another look at this issue in light of the information that had come in.

Senator DECONCINI. You just might have decided after all the additional information that had come over your desk, that we should do something else?

Mr. GATES. I did that often. I would ask a question or ask people—

Senator DECONCINI. That's fair enough.

Why would you consider it so sensitive that you wouldn't want all of the resources tasked and find out that you could, third world or otherwise? That troubles me.

Mr. GATES. Based on the recollection of those involved, I said because it involves a sensitive human source, it should be handled on a fairly close-hold basis. I think the sworn testimony that the Committee has from Kay Oliver and some of the others indicate the coordination process involved all of the appropriate elements of SOVA, including the chief of the foreign unit and so forth. All of the appropriate bases were touched in the coordination.

Senator DECONCINI. Mary Desjeans has indicated something to the effect that she was told not to tell anybody she was doing it and not to talk to anybody about it. That's what I was asking Mr.

MacEachin and he said, that is uncommon. I said, unusual, and he said, it is uncommon.

The very agency of which you are the Deputy Director, if somebody didn't ask you, get me some information on this and I want to see what you can develop, if you can develop an association with the Soviet Union and the assassination attempt. I have a problem with why you were trying to zero in on that in such a secretive manner.

Mr. GATES. I put a limit on the number of people that should be involved. I just told MacEachin to handle it on a close-hold basis. And that didn't indicate that people who should be involved should be excluded in any way, and those who were directly involved in the process have testified in these statements or have said in these statements that they went through the regular process of coordination—of getting contributions from various people and so on.

Senator DECONCINI. Mr. Goodman said he was cut out of it, and here he was head of the third world division or section, whatever you call it. He was left out of it. And now I kind of understand why, because he feels that you were responsible for some of his problems there, and Mr. MacEachin said he was somewhat of a loose cannon, so he left him out.

It just doesn't seem very logical that unless you had some burning desire that you had developed over a long period of time, or Mr. Casey said, hey, look, I want this developed in this manner, why this had to be done in such secrecy.

Let me ask you this: Were you provided a copy of the '85 estimate during the drafting stage?

Mr. GATES. I was probably provided a copy when the drafting was completed.

Senator DECONCINI. Do you remember if you were? Did you look at the draft?

Mr. GATES. I'm sure I was.

Senator DECONCINI. And when you saw that draft, as completed, was the famous scope note of Kay Oliver and Mary Desjeans, was it on that?

Mr. GATES. I don't recall whether it was or not. I think, based on the testimony of these others that it probably was not.

Senator DECONCINI. You don't think the scope note was on the draft?

Mr. GATES. When they married the Soviet and the Office of Global Issues elements of the paper, that was the point as best as I can understand from the statements of Mr. Haus and Ms. Oliver that that was the point at which Mr. Haus decided to—

Senator DECONCINI. You never saw the famous footnote?

Mr. GATES. I don't remember, Senator.

Senator DECONCINI. That is hard to believe, Mr. Gates, that you wouldn't remember whether or not you saw this footnote because, let me just read a little bit of it to you.

This paper was written for the purpose of setting forth the basis for believing the Soviets may have been involved in the Papal assassination attempt. It goes further. It consequently makes the case for the plausibility of Soviet complicity but does not elaborate fully the counterargument that the Soviets may not been involved.

You don't remember reading that? You saw this draft, you were interested in it, you told Mr. MacEachin to keep it close to the

chest, it was very sensitive material because you didn't want it exposed to everybody, and you don't remember the scope note?

Mr. GATES. That is correct, sir.

But I think it is important to keep in context here that, again, the testimony of those who were involved in drafting the paper was that the analysts prepared the scope note for their part of the paper and when the two parts of the paper were married together by the principal drafter, it was at that point that the project manager decided that the scope note wasn't necessary.

So I can't testify here under oath whether I saw a specific piece of paper or not. I don't think I did, because of the way the paper came together and then came to me. Based on the testimony of those who were involved in preparing it.

Senator DeCONCINI. The Cowey report or review, you indicated you instituted or asked them to do that?

Mr. GATES. Yes, sir.

Senator DeCONCINI. Dated July 1985. What prompted you to do that?

Mr. GATES. I had been dissatisfied in general with our treatment of the whole issue. Mr. Casey was unhappy because we had been unable to come up with a definitive answer and he was getting all of this information from Claire Sterling and others that made the case that the Soviets had been involved and he couldn't figure out why the clandestine service couldn't collect more on that and why the political people couldn't do more on their side.

And so it seemed to me that—and we had not treated it comprehensively since 1983. We had received the new information over the winter of 1984-'85 and so I wanted a new paper done. But I still wasn't happy with the basic quality of the work we had done. And that's why I asked the Cowey report be done. And also I think I had probably picked up some of the unhappiness that there had been about some of the aspects of the coordination of the paper.

So I asked them to go back and take a look at the whole thing and our whole treatment of the issue.

Senator DeCONCINI. As Deputy Director, were the President's Foreign Intelligence Advisory Board studies available to you?

Mr. GATES. They were doing a study and I knew that they were doing a study, but I don't think I had seen it, no.

Senator DeCONCINI. That's my next question. When the Cowey report was transmitted to you, it said, "With regard to the PFIAB, President's Foreign Intelligence Advisory Board, we have addressed approximately the same points mentioned in Ann Armstrong's letter that have not explicitly referred to the PFIAB efforts."

So there was obviously someone else who had asked her or someone in the agency to review this Papal assessment besides yourself. And my question is, why wouldn't you have looked at the President's Foreign Intelligence Advisory Board's problems they had with this?

Mr. GATES. Well, my impression was that the—and still is—that the PFIAB study was basically of the agency's entire coverage of the Papal issue, of our handling of the attempted Papal assassination. And frankly, they were very critical of everything the agency—I later learned, very critical of everything the agency had done on the issue up until the April 1985 paper. They found that a

very commendable effort. We provided a copy of our study to the chairman of that board. And I gather from what you are referring to that the chairman, Ann Armstrong, must have sent Mr. Casey a letter setting forth some questions or asking the agency to respond as part of their own look into our handling of the effort.

Senator DECONCINI. Just for the record, the agency will not let us see that report, the PFIAB study, on this, for reasons that go beyond me.

Going back to the actual assessment, Papal assessment, who authorized the dissemination to the President, the Vice President, and Secretary of State and Defense, do you know?

Mr. GATES. I don't remember specifically. I think there was general agreement that it ought to be very limited because of the sensitivity because of the Italian case under way in Rome.

Senator DECONCINI. When you read that report, you authorized it, you knew it was disseminated, you were satisfied at the time that it was a pretty good report?

Mr. GATES. Yes, sir.

Senator DECONCINI. That's right. And it wasn't until a couple of months later when you asked Cowey to do an assessment of it that you had some problems with it?

Mr. GATES. My problem was more on the overall agency handling of the attempted assassination and that's why the Cowey report really addressed, to a considerable extent, all of the work the agency had done since 1981.

Senator DECONCINI. When you read the Cowey report, were you upset about the initial assessment that had been sent out to all of these policymakers?

Mr. GATES. Well, I think I have a note that was done by one of the members of that panel in terms of my reaction to the Cowey report. And her note suggests that I was very surprised by some of the conclusions of the report, but I thought that it was a hard-hitting, good report, but that I was surprised at the bureaucratic problems that have been involved in our handling of the issue. I was surprised at how great the problem of mindsets was as people approached the issue, and I was troubled by the concerns that people had responded in ways that they thought were responsive to the seventh floor.

All of those things were of concern to me.

Senator DECONCINI. Were you concerned by the statement out of the report on page 14, the concern about balance and about readers misinterpreting the paper might have been eased by the inclusion of a scope note saying that the paper deliberately does not try to make the counter arguments against Soviet complicity? Do you remember reading that?

Mr. GATES. Yes, sir, I do.

Senator DECONCINI. Did that jar your sense of what is going on here?

Mr. GATES. It was a part of the broader issue of the deficiencies of the paper.

Senator DECONCINI. The fact that they called your attention to the fact that the scope note had been taken off?

Mr. GATES. Yes, sir. And the fact that there had not been an adequate weighing of alternative scenarios.

Senator DECONCINI. Mr. Gates, I really have a problem here, how someone who is touted as being an expert, having read that report which I now have, and not seeing the reverse side of that, and you being an expert. And then agreeing or not objecting to its dissemination to policymakers.

Mr. GATES. Well, Senator—

Senator DECONCINI. Maybe you can clarify. I know that is many years ago. How you rationalized that, how you should go ahead and make that happen, given the fact that you don't remember whether or not there was a scope note on it.

If there was a scope note on it and you read it, then I can't understand, no matter what you say. But given the fact that you don't remember whether a scope note was on it, we will just say for argument's sake there was no scope note on it, you read it and saw no other point of view there; and in your judgment saying it's okay to disseminate. Explain that logic to me, will you, please?

Mr. GATES. There was an intermediate step, Senator. And that was that I, according to the testimony of those who were involved in the paper, I was the one who then sent the draft back and said, you need to deal with the inconsistencies, the gaps, the anomalies in the evidence here. And it was at my suggestion that they put the section in that dealt with those problems. And there is a several-page section in the body of the paper that deals with all those problems.

Senator DECONCINI. Well, the Cowey report came before the dissemination went out.

Mr. GATES. No, sir.

Senator DECONCINI. It came after?

Mr. GATES. By a month.

Senator DECONCINI. So the dissemination is out there of the original report. And then you say, gosh, I don't like this; I better do it.

When you got the Cowey report, did you send that to the Vice President and to the President, to the Secretary of State pointing out the problem?

Mr. GATES. No, sir. I sent it to the office directors of the offices that had been involved in the preparation of the paper. I asked for their comments on it. And we addressed the problems of process that had been identified as being deficient.

But the Cowey report also said, as I recall, that it was the most comprehensive effort on the problem yet done.

Senator DECONCINI. Hindsight is 20/20. Doesn't it now make a lot of sense that you ought to have sent the other side of this to the people that were relying on the original Papal assessment?

Mr. GATES. Again, I would say that what the paper did was not so much the case for Soviet involvement as it reviewed the evidence of Soviet involvement. And the covering note, the transmittal note, as I indicated earlier, said that questions remained and probably always will.

Senator DECONCINI. Then the trouble that I have, of course—and the Chairman raised the issue of the letter of transmittal saying to the Vice President of the original assessment, which you say you didn't write but you signed, so I am sure you read it—it says this is

the first comprehensive examination that you feel able to present our findings with some confidence.

Mr. GATES. Yes.

Senator DECONCINI. And then a month later you decided you don't have that confidence, I guess.

Mr. GATES. I had concerns about the process, Senator.

Senator DECONCINI. The process. If that isn't confidence, I don't know. But let's say—let's use your word. You had concerns about the process, it wasn't properly done or everything wasn't included in the process. So you asked Cowey to review it. Cowey reviews it and tells you a lot of things, and we can read it for half an hour here. But I think any reasonable person would say, gee, I sent this off to the Vice President over my signature. I better send him the other side of it real quick before he makes some policy judgment that is only based on what he has. And that's my editorializing, not you.

How do you resolve the fact you didn't take other actions? The problem with that is, how many other times when you were the Deputy Director that you didn't take other actions. It is very troubling, Mr. Gates.

Mr. GATES. Senator, I know that the inclusion of this section of the paper pointing out the deficiencies in the evidence, the gaps and inconsistencies that we had, had put the policymakers on notice as to the concerns that we had. The transmittal note talked about questions remaining. I think that it is the view of some people out at the agency that it still remains the most comprehensive and best look at the problem that the agency had done.

The fact that—

Senator DECONCINI. You mean the transmittal note, the letter signed by you written by somebody else? Is that the transmittal note?

Mr. GATES. Yes, sir.

Senator DECONCINI. Do you have a copy of that?

Mr. GATES. No, sir, I don't think so.

Senator DECONCINI. Maybe you can tell me where it says that. It says, well, question remains and probably always will.

Mr. GATES. That is my reference.

Senator DECONCINI. We have worked this problem intensively and will now be able to present our finding with some confidence. Is that what you mean? That was the qualification in your mind?

Mr. GATES. Yes, sir.

Senator DECONCINI. And after Cowey came forward expressing the process was flawed, you didn't feel it was necessary to proceed any further?

Mr. GATES. One of the basic focuses of the Cowey report was the bureaucratic tangle going into the entire effort over the preceding four years. It also talked about the difficulties of mindsets within the agency of some offices, including those in the Soviet office refusing to contemplate this seamy side of the Soviet Union.

Senator DECONCINI. The Cowey report, I am just reminded, lists a number of factors there, key factors that anybody who would read them would conclude. You must have concluded when you sent it out that the Soviets were deeply involved in that assassination plot. I can read them to you if you want me to.

Mr. GATES. I think those were the conclusions of the analyst and they were coordinated throughout the agency.

Senator DECONCINI. Were they coordinated throughout the agency?

Mr. GATES. That is the testimony of those who wrote it. They say they have the coordination comments in their files.

Senator DECONCINI. Why was it held to one or two or three people who wrote the report according to Mr. MacEachin?

Mr. GATES. It was coordinated with the Soviet office. It was coordinated with the global issues office, coordinated with the European office and with the appropriate divisions within the DO.

Now there may not be a lot of people in those offices who coordinated them, but the right institutional elements were involved.

Senator DECONCINI. And yet the process bothered you?

Mr. GATES. The process bothered me—

Senator DECONCINI. And that is exactly the process that you're now defending.

Mr. GATES. The process bothered me because in 1981 and 1984 we had not had sufficient effort focused on the problem. We had only one analyst working on it for the first couple of years. The Office of Global Issues took responsibility for that problem, and the Soviet office essentially receded. There were six different analysts in four years in the Soviet office that covered this issue. These were the kinds of problems that I was having difficulty with, among others.

Senator DECONCINI. Let me focus you on another one.

Senator MURKOWSKI. Your time is up, although I want to accommodate the Senator from Arizona.

Senator DECONCINI. I have two times now when I have been restricted to 15 minutes and they were both when you were Acting Chairman. [General laughter.]

Senator MURKOWSKI. I'm sorry you feel that way, Senator.

Senator DECONCINI. I feel it is unfair and I will gladly once again adhere to the Vice Chairman's cutting this Senator off and wait for the next round.

Senator MURKOWSKI. I did not cut the Senator from Arizona off; I asked the Senator from Arizona to try to abide by the time. And if he interprets that that I cut him off, he is entitled to that opinion, but it isn't the opinion of the Chair. It was simply to remind my colleague that there has been a request that we reduce the time. The time still remains 20 minutes. I do not keep the time, as the Senator from Arizona knows. It is kept by an independent, non-partisan timekeeper in the back. We are simply trying to move the process along so that everybody gets a chance to talk before the end of the day at six o'clock.

Chairman BOREN. The Chair is not trying to get in the middle of a dispute here and I don't think there is one. But let me say this—

[General laughter.]

Senator DECONCINI. I think there is one, Mr. Chairman. [General laughter.]

Chairman BOREN. I have been liberal about allowing Members, when they are in the course of a question, in the middle of a course of questioning to go on with a question or two to complete because we will come back to another round anyway. That time will be ex-

tended and since we are doing this on a Thursday afternoon and we have to come back in the morning, I think we should allow you to go ahead and finish. I know you were in the midst of a line of questioning.

Senator DECONCINI. I am, Mr. Chairman.

Chairman BOREN. We are not going to let people go on five or ten minutes longer. But a reasonable amount, just as we did with Senator Glenn.

Senator DECONCINI. Senator Glenn had more than 25 minutes and I'm not asking—more than 30 minutes—and I'm not asking for 30 minutes. But I do have a line of questioning here. It may take longer.

My point is, for some reason, maybe just circumstances, when I get my time I am called at 15 minutes. If everyone else is called at 15 or 20 minutes, I would be glad to abide by it.

Senator MURKOWSKI. In all fairness to the timekeeper, if you want sworn testimony, we can get it. It was 20 minutes that you had.

Senator DECONCINI. I'm not questioning the timekeeper. I am questioning the Vice Chairman.

Chairman BOREN. The Chair will exercise the Chair's prerogative. The timekeeper gives signal to Members which Members are honoring. Although I would say that no one has stopped in mid-sentence. I think that everyone wants to be fair here. The Chair is not going to pound the gavel on Senator Chafee if Senator Chafee goes for 18 minutes or something. If he goes for 25, the Chair will.

Senator DECONCINI. Let me finish this line of questioning.

Chairman BOREN. The Senator from Arizona should complete his line of questioning.

Senator DECONCINI. Mr. Gates, and this will be the last question on the Papal assassination assessment, and I have some other questions on highly sensitive reports that I will come around to the second time. In the Cowey report, and if you want to, I will give a copy for you to read, let me read it to you and if you have any questions I will be glad to supply it to you.

Part of it on page 14 says:

In our view, the fact that we found no one at the working level in either the DI or the DO, other than the two primary authors of the paper who agreed with the thrust of the IA. As it turns out, the coordination process was essentially circumvented in both the DI and the DO by either the press of time or the actual circumvention of the chain of command.

Now, do you believe that they felt the process that you had questioned by asking for the Cowey and a few minutes ago were defending that it had been widely circulated, do you feel that the Cowey report substantiates that it had been widely circulated through the agency to all of the appropriate agencies, the original assessment?

Mr. GATES. I don't know the basis for that conclusion on the part of the Cowey report, Senator. I do know that the two analysts who were involved and the project manager, Mr. Haus, say that the proper coordination process, both in the Directorate of Intelligence and Directorate of Operations, was carried out and that is the message that was conveyed to me when the paper came to me.

Senator DECONCINI. The original paper?

Mr. GATES. Yes, sir.

Senator DECONCINI. But Cowey says otherwise, wouldn't you say?

Mr. GATES. That certainly is what he is saying.

Senator DECONCINI. So you were misinformed when you had the original paper?

Mr. GATES. I took the Cowey report very seriously. I also supplied it to the offices for their comments. I am not sure I would accept everything in the Cowey report as gospel, but if there were coordination problems, that paper certainly indicates that there might have been.

Senator DECONCINI. The fact that it says here that nobody agreed with it, didn't you feel some obligation to convey that to those who you had disseminated it to, in particular in this case the Vice President?

Mr. GATES. What I did was send the Cowey report around to the offices that had been involved to get their reaction to it and they had some problems with it.

Senator DECONCINI. With the Cowey report?

Mr. GATES. Yes, sir.

Senator DECONCINI. Obviously you didn't feel the necessity to inform those policymakers that had the original report?

Mr. GATES. No, sir.

Senator DECONCINI. Thank you.

Thank you, Mr. Chairman.

Chairman BOREN. Thank you, Senator DeConcini.

Senator Chafee is now recognized.

Senator CHAFEE. Thank you, Mr. Chairman. And indeed I would like to be reminded when 15 minutes is up and then when 20 minutes is up so we can move on here.

Mr. Gates, I must say that I didn't set a great deal of store by the testimony that we had yesterday from the two principal witnesses, Mr. Goodman, Mr. Ford on the subject of your having skewed intelligence analyses or politicized the efforts of the analysts. I thought those were unsubstantiated charges and in the case of Mr. Goodman's charges, to a considerable extent, they are flatly contradicted by Mr. MacEachin. In Mr. Ford's evidence, he flatly said that when he worked with you, as you mentioned in your opening remarks, he found you above board, a straight arrow, and his testimony against you is based on what he heard subsequently. So I dismissed that.

But I did find a more serious charge from Mr. Ford, in which he in effect alleges that you weren't very good at your trade. And he goes on at page 7 of his remarks, his testimony, that you have been dead wrong in the central analytic target of the last few years.

So we discussed with him—we pointed out Admiral Inman's testimony that you had been right on a lot of things. But Mr. Ford said that being right on Honduras doesn't equate with being wrong on what he considered the Soviet Union.

Now I know that there is a considerable body of opinion recently that is going around. It is phrased as follows: The collapse of Communism was inevitable.

This has come up since the collapse—of the Berlin Wall going down and the fragmentation of the Soviet Union that has taken place, and the withdrawal from Eastern Europe.

But I must say that I believe the actions of the United States and its allies during the postwar period and in the 1960s and 1970s and 1980s were of great consequence.

But we get right back to this charge of Mr. Ford's and I would like to hear what you have got to say about that charge.

Mr. GATES. I think that there are two responses to the question, Senator. First, I think that the October 1986 memorandum that I submitted for the record this morning makes clear that by the middle part or fall of 1986, a little over a year after Mr. Gorbachev came to power, I was concerned that there were a lot of things going on in the Soviet Union that collectively represented a major shift or a major change in what had happened in that country and we had not been taking it seriously.

Now, I think that plus the record of the Soviet office during those years indicates that in terms of addressing problems that were going on in that society and weaknesses and so forth, I think that that work illustrates that we were onto the nature of real change in the Soviet Union at an appropriate time.

The second concerns my own forecast and my basic approach to the Soviets, to Gorbachev and his reforms was that he could not carry out a process of democratization and leave the Communist Party structure and the national security structure, including the KGB, intact. And that those two were incompatible. And further, and perhaps the source of my great pessimism in terms of the prospects for his reform over time, was my belief that his economic reform program was deeply flawed and contradictory, that in fact he remained a Communist and was unwilling to take the kinds of steps toward a market economy and take them in a timely way that would allow some promise of success. And I believe that those assessments of the flaws and the contradictions in Gorbachev's reform program were in fact borne out.

I also stated a number of times that Gorbachev was going forward with Soviet strategic programs and deployments in R&D at a pace that, while at a lower rate of growth than before, still represented a significant continuing expansion of Soviet strategic capabilities and it has only been within the last couple of years that there has been any significant change in that.

What has changed in the Soviet Union is, as a result of the coup, or the failed coup, a change that will bring about the changes in the KGB and military programs that are needed, both for them to give evidence that they are changing their overall intentions, but also to repair their economy.

So I think that those assessments were pretty much on the mark. And I think that the documentary record shows it.

One of the criticisms of the Agency is that it failed to forecast a collapse of the Soviet system. And I have responded to this in brief in an answer to Senator D'Amato two weeks ago. But I think that one of the things that people have to bear in mind is that while the Soviet economic system was under enormous stress in the mid-1980s, it was still declining at a relatively gradual rate. What happened was you had a misguided reformer come into power that took an economy in steep decline and turned it into economic free fall because the old system was destroyed before a new system

could be put into place. And so nothing worked, not the old, not the new.

Senator CHAFEE. I think it is interesting. I think it was just about two years ago now that there was a front page article in the New York Times detailing how Mr. Kryuchkov, head of the KGB, was going to make it a much more open organization. They were going to have oversight similar to that as in the CIA. And yet, this very individual was one of the prime leaders in the coup, Kryuchkov namely.

Mr. GATES. Yes, sir.

Senator CHAFEE. I would like to draw your attention to a remark, a comment that was made in the Cowey report, in which he says, and I cited this before but I find it of interest, despite DDI's best efforts at the time you were at the DDI, there was a perception among analysts of upper level direction which became more pronounced after the new evidence of Soviet complicity was required. In the event, however interviews suggested it was not so much DCI or DDI as it was the effort on the part of some DI intelligence managers at the next one or two layers down to be responsive to the received Director or Director of Intelligence desires.

Now there is a recent book out, at least, that has been submitted to this Committee and it is by analysts, and an analysts named John Gentry from the CIA. The book is called Cheat Books, how CIA analysis misuses the nation. And this is what he says, which indicates—this book hasn't even been published yet. It is much more common, he says, the alteration of drafts during the production and review process either directly by managers or indirectly by analysts or subordinate managers trying to win favor by adopting the perceived or explicitly stated political positions of their superiors.

Now I guess my point here is nothing changes. And it seems to me if you were going out to that organization, if confirmed, one of your jobs, as you yourself have mentioned, but I think it is a bigger job than perhaps you foresee, is trying to change this perceived or explicitly stated view of this perceived view that their superiors think one way or another.

I think one of your problems, I have got here from that book a diagram of what it takes for an analyst to get his paper to the top. And anybody who has got the patience for an analyst, there he starts down here and it goes up to his branch chief and then to his division chief and then to the office director and then to the deputy director for intelligence. And then it goes over to an office editor and then over to the office of current production analysis, and finally the customer gets it, if the customer is still alive. [General laughter.]

Senator CHAFEE. Now it points out here that an office director of mine once took 105 days to return a draft with minimal changes. Now is that par for the course over there? Could you tell us a little bit about how that system works?

Mr. GATES. Senator, one of the measures that I introduced on the 7th of January 1982 was a review process. The purpose of it was to ensure that a paper was carefully reviewed by managers for consistency to ensure that the right questions were being addressed,

that the evidence was laid out, that the most persuasive possible case was made.

One of the greatest sources of frustration for me as DDI was in fact the delays that you described. One of the things that I committed to as DDI in that original speech and that I think people would agree I adhered to was that I promised as DDI reviewing all of the papers of the entire directorate to return every paper within 48 hours. And I think that on probably 95 percent of the occasions I adhered to that, I met that deadline. And I never could figure out why above the branch chief level, if I could do it for the entire directorate, people at the office directorate level and division chief level could not do likewise.

Now I could see why a branch chief would take longer. That is the first level of review and that is where papers would often require the most help.

One of the things that I did was require having a cover sheet put on the paper when it came to me that would show me how long each level of review had held the paper. It took me a while, but I finally figured out that it was not just a little fudging going on in terms of when they would put the date down as to when they would receive the paper and when it was sent out of their offices sometimes.

But I would have to acknowledge to you, Senator, that the length of time involved in the review process, particularly at the division and office level throughout the directorate, was a continuing frustration for me. There is no excuse for 105 days.

Senator CHAFEE. You list a series of proposals for reforms that you are suggesting for the agency. And may I suggest one other? And that is, to the greatest extent possible you involve the analyst with the customer, take the analyst along.

Now I suppose that you don't want to fill a room with people. I suppose the division chief frequently comes along. But it seems to me that there is a constant morale problem. Now it is easy for someone to sit up here and say there is a morale problem. And Ms. Glaudemans, while she was severe on you, also points out many of the things that she discussed took place long after you had left, had nothing to do with you.

But it seems to me that if the analyst can go see the final delivery of his or her product and support it before the customer, it will be a great boon to that analyst.

Is that a possibility?

What are some of the flaws in that?

Mr. GATES. It is more than a possibility, Senator, I think it is very important for analysts to see the users of intelligence. But, more importantly, vice versa. And I encouraged strongly in the past analysts talking to the policy consumers and going with their supervisors, or their office directors, or with the Director to meetings because, frankly, I think the people are so good that they have a tremendous impact on people.

Now they are senior people, but I think that anybody who would talk—whether they were talking about strategic programs, and would have a Larry Gershwin or someone like that come down, it would obviously have an impact.

But I think it is not only possible, I think it ought to be done.

It has been done, but not perhaps as much as it should.

Senator CHAFEE. Now I would just like to point out here that there has been a unanimous claim for the direction that Judge Webster has given to the Agency, and I concur in that.

I will now read from Mr. Gentry's book:

Many employees believe that DCI Webster has one primary objective, the avoidance of controversy and criticism that marked the Casey years, and the maintenance of the Agency's organizational interests. Aware that senior Agency officials want smooth relations with Executive branch Departments, aware that potentially controversial material would be excised during the review process in support of these objectives, and aware that their performance evaluations were dependent upon the smoothness of the review process and their ability to satisfy their seniors, branch chiefs and analysts simply stopped writing the judgments they really held.

These lower-level individuals have responded to Treasury's reactions, even as reported in the newspapers. More generally, analysts and even middle managers argue they cannot change the review process in fighting for objectives because it would simply be ineffective or career damaging.

Now somehow you cannot win out there. If there is a lot of controversy and strongly held views at the top, that promotes politicization, so they have said.

On the other hand, if there is somebody who is perceived to want to avoid controversy, then that upsets the analysts.

What is your reaction to all this? I hope you will be a turbulent force over there, and probably you will be.

Mr. GATES. Senator, I think that neither characterization is accurate.

As a recipient of intelligence over the last two-and-a-half years, I can assure you that the Agency has not taken the "safe" course and has continued to provide intelligence that at times challenges policy in the sense of the analysis that comes down, and there are still policymakers like there were 15 years ago who think that the Agency is out to stick a thumb in their eye in this Administration just like in the past ones, and I might even include myself in that number occasionally.

So I think that that aspect of it, and that a characterization of Judge Webster's tenure, is inaccurate.

I think that the problems on the other side, when there is a lot of substance involved, are overdrawn, as well.

This is a turbulent business. This ain't beanbag. These issues are important.

People are going to argue, and they are going to fight, and they are going to debate.

And frankly, one of the things that I think has been mischaracterized is the contentious nature of most of the analysts out there.

This idea of these people sort of sitting down behind their desks scared to death to move is totally contrary to my experience.

I'll tell you, these people are not afraid to speak their minds.

They'll speak their minds in front of Directors.

They'll speak their minds in front of Presidents.

They'll speak their minds in front of any audience they can get.

In fact, you have seen a few of them up here the last week.

Senator CHAFEE. Well, I think—

Mr. GATES. So I think that this idea of all these people out there intimidated and afraid to express their views is a disservice to them and it is a disservice to the Agency.

Senator CHAFEE. Well, I agree with you.

I also share your high opinion of Judge Webster.

I merely read from this perspective of this book to show that individuals are critical under one activity or another type of activity at the top of a heap, or whether it is somebody with strongly held views, or somebody who is allegedly trying to avoid controversy which I do not believe.

Now I would like to stress one point, if I might, here. There is a tendency to say that the CIA missed everything in connection with the Soviet Union and what was taking place over the past 20 years and that somehow everything that we did was wrong.

I just recall to the Members of this Committee instances that we all were involved in as Senators. That is, the actions the United States took leading up to the INF Treaty.

It was there said that if—the President was saying if we deployed the Pershings and the cruise missiles that we would get an agreement.

Now that was hotly debated.

I can only assume the President was operating on some support he was receiving from the Intelligence Community.

I do not know that for a fact. All I know is, the Soviets as we all know were deploying the SS-20 and we went ahead with the Pershing and cruise and we got an INF agreement.

So I think it is time that we saluted some of the achievements that took place during those years.

The suggestion that the United States was blundering about without any successes is just way off the mark.

My time is up. I will adhere to the rule, and thank you, Mr. Chairman.

Chairman BOREN. Thank you very much, Senator Chafee.

Next to ask questions is Senator Rudman, and he will be followed by Senator Metzenbaum. Senator Rudman.

Senator RUDMAN. Thank you, Mr. Chairman.

Mr. Chairman, it has been a very difficult several days. As one who always is known for lightening up hearings, I thought I would lighten this one up just a little bit.

A senior member of the faculty at the National War College, in fact the Director of Soviet Military Studies—that is not Mr. Goodman; that is another person—sent over to me this morning “Perceptions of Politicization in the Intelligence Community During the 1980s as Seen By Themselves.”

I thought it would be very instructive, so I just would like to read it.

It will take about a minute:

The State Intelligence and Research Bureau does not believe that the Russians are coming.

The CIA thinks that the Russians may try to come, but isn't sure whether or when they'd like to arrive.

The Arms Control and Disarmament Agency has found the real enemy, and it is the United States of America.

The National Security Agency is confident that only its special sources can give the answer, but no one else is cleared to even ask the question.

The DIA knows the Russians are coming, but probably won't arrive until next week.

And the Department of Defense knows that the Russians are already here and probably have taken over State and the CIA.

[General laughter.]

Senator RUDMAN. I just thought that was worth reading into the record, since we have had, so far, 100 views of politicization in three days.

Mr. Chairman, yesterday was a very difficult day, and Mr. Gates has gone a long way in straightening out some evidentiary misconceptions.

You may recall that late in the day—not the night—but late in the day yesterday there was a discussion with Mr. Goodman about the cover note that went with the non-infamous Papal Assassination Study.

Under questioning, and being shown the evidence—you can check the record on this—the witness answered that it was a different cover note that went to Anne Armstrong.

It was really a remarkable display of instant recollection of an obscure document from 20 May 1985.

The thrust of it was the accusation that somehow the cover notes were specially tailored, the one to Anne Armstrong was the smoking gun, and it was different from all the others.

Mr. Chairman, the Committee has now been furnished a copy of that cover note with the same redactions as the one to the Vice President, the redactions have nothing to do with what we are talking about; they have to do with identifying certain people. I would like to make sure that it is in the record, because there is a memorandum to Anne Armstrong and it does not contain the words that Mr. Goodman alleged it contained. Just another example of the kind of evidence that we were fed yesterday.

Chairman BOREN. It will be received for the record.

It is in an unclassified form; correct?

Senator RUDMAN. Yes.

Chairman BOREN. It will be received for the record and released to the public.

Senator RUDMAN. It does not say "Unclassified", Mr. Chairman, but I believe it is.

Chairman BOREN. I am told by staff that it is so it will be released. It will be made a part of the record and released to the public.

[The document referred to follows:]

UNCLASSIFIED

Washington, D.C. 20505

20 MAY 1985

MEMORANDUM FOR: The Honorable Anne Armstrong
Chairman, President's Foreign Intelligence
Board

SUBJECT: Attempted Assassination of Pope John Paul II

Ambassador Armstrong -

Attached is CIA's first comprehensive examination of who was behind the attempted assassination of Pope John Paul II in May 1981. This analysis is based upon our examination of evidence gathered by the Italian magistrate's office, the many leads surfaced by various journalists and scholars, independently acquired intelligence information, and related historical and operational background information. ~~_____~~
~~_____~~
~~_____~~

While questions remain -- and probably always will, we have worked this problem intensively and now feel able to present our findings with some confidence. ~~_____~~

The paper begins with a very short review of the principal conclusions. This is followed by a several page overview of the findings and evidence, which is keyed to the major sections of the paper. ~~_____~~

Bob

Robert M. Gates
Deputy Director for Intelligence

Bill asked me to send this to you today. So far we have made no dissemination other than to the President, VP, SecDef, SecState, General Vessey & Bu. Thus, please hold even distance of

CL BY Signer
DECL QADR

UNCLASSIFIED

Central Intelligence Agency

85-

1771



Washington, D.C. 20505

Bill

read with interest
4-25-85Noboddy c/s
saw it
Thanks

MEMORANDUM FOR: The Vice President

SUBJECT: Attempted Assassination of Pope John Paul II.

Mr. Vice President-

Attached is CIA's first comprehensive examination of who was behind the attempted assassination of Pope John Paul II in May 1981. This analysis is based upon our examination of evidence gathered by the Italian magistrate's office, the many leads surfaced by various journalists and scholars, independently acquired intelligence information, and related historical and operational background information.

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Bob Gates

Robert M. Gates
Deputy Director for IntelligenceCL BY Signer
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Senator RUDMAN. I just wanted to clear up a small evidentiary point—I think Mr. Gates went a long way with his 20 points this morning—but certainly that was a remarkable display yesterday.

I commend anybody who wants to read the record to evaluate that testimony, look at how quickly the response came: "Well, it was a different cover note."

Well, it was not a different cover note.

Mr. Gates, I was struck by something you said this morning, and it may be the genesis of some of what we are hearing here.

You read from a document that you had. It is not quite the same one I have here, but it was to the Director of SOVA concerning Afghanistan, and it explored options.

It says:

In short, I find the paper superficial and unpersuasive largely because the detailed digging which has to be done to provide a factual base on which to make some judgments about Soviet perceptions of how the war is going has not been done.

Now I think you characterized that in a rather colorful way about getting your hands or your feet dirty, or something, that you said.

Do you recall that?

Mr. GATES. Yes, sir.

Senator RUDMAN. It is pretty blunt. Would you agree with that?

Mr. GATES. Yes, sir.

Senator RUDMAN. Were you in the habit of writing notes that were this blunt to people?

Mr. GATES. Yes, sir.

Senator RUDMAN. What was the general reaction you had to these?

I am told that this is not atypical of your communications back and forth.

What kind of reactions would you get from people at the Agency? That is a pretty good assault on one's intellect.

Mr. GATES. Well, Senator, the truth of the matter is, after I had been reviewing papers for a couple of months, a couple of people—I do not remember who—came to see me and told me I ought to tone down my remarks on the papers, and so I did, and that is what you have. [General laughter.]

Senator RUDMAN. That is toned down?

Mr. GATES. That is the toned-down variant.

I think it is both an asset and a liability that I am a very blunt-spoken person. I will tell you exactly what I think, and I won't mealy-mouth around about it.

I'll be honest.

It is something that, as a management problem, I think I am more sensitive to now than I was then. And I think particularly as one contemplates a time of great change and turbulence, as I think inevitably is coming in U.S. intelligence, I think there is going to have to be more sensitivity to people's feelings and so on, and how we go about this process of change, and so on.

But I was pretty blunt. But I will say, most of my comments on most papers—I didn't do memos on most papers—most of the time, my comments in the margins were very straightforward.

What is the evidence for this?

Why do you say this?

How do you support this?

Is this evidence, or analysis?

Support this assertion!

Have you considered this alternative?

Most of the comments that I would make on papers were in the form of questions for people to consider, rather than saying "this stinks," or something like that.

And I also would try, when I had real problems with the paper, as I have on two or three different occasions where I have spelled these things out here for the Committee, and in memos that have been released, I would try to lay out my reasoning for my concerns with a paper. I would sometimes do it in a paragraph, and sometimes I would take several pages.

But I saw the analytical process, and I still do, as an iterative dialogue between those who have had a lot of experience in government, a lot of experience in intelligence, and may be less expert on the specifics but able to put that into context.

One of the problems that I had was that I would have two offices write on the same subject, looking at it from a different vantage point, and coming to completely different conclusions.

Well, now if somebody at the DDI level weren't looking at those papers, what would the policymaker think?

He would get something from the Near East office that said (a), something on say Afghanistan, and something from the Soviet Office that said (b). Which is the more authoritative?

So it was important that somebody bring those offices together. So what I would do in those memos and notes was try to bring coherence and some dialogue to this analytical process.

Senator RUDMAN. I got the impression yesterday—you tell me if I am right or wrong, from your own knowledge of when you were there—particularly from Ms. Glaudemans's testimony, that the kind of correspondence and comment that is contained here that went down to some of these divisions within the CIA probably was fairly offensive to some of the young analysts who thought that they were being put down. Many of them were young, very bright academically—you know, great achievers, probably not a great deal of real-world experience, but nonetheless bright people—and felt somewhat intellectually assaulted by that and maybe did not quite have the maturity to handle that kind of criticism.

Mr. GATES. I was very careful—and I won't say I was 100 percent successful—but I was very careful, tried to be very careful never to personalize my criticisms. I think if you look at the memos that have been released here, that they are based on analytical concerns.

And, frankly, I think that it is not a bad thing for analysts to be subjected to real-world criticism of their papers. Again, this is serious business. We would have analysts come back up to us and complain that they disagreed with our view, and I described that this morning.

So some may have been intimidated by it. That is something that I think I have to be sensitive to—

Senator RUDMAN. Well, I would agree—

Mr. GATES [continuing]. But the others, there are also a lot of others, Senator, who I think were stimulated by—it by the fact that somebody cared enough to read their paper carefully, to comment critically on it, and engage them in a dialogue about it.

Senator RUDMAN. Well, I will tell you, Mr. Gates, I agree with what you have just said. Certainly you were not being personal. But I expect some young, relatively inexperienced professional person, no matter how bright, seeing a response from someone of your stature saying that what they did was superficial and unpersuasive, that may not be personal but they could have taken it very personally.

And would you not think that maybe that is much of the discontent that we have heard about the atmosphere?

Do you think that could have been part of it?

I am just trying to get my hands around it.

Mr. GATES. Sure it could be.

Senator RUDMAN. But you do not really think so.

Mr. GATES. But again, I don't—well, I think it clearly was in parts of the Soviet Office.

Senator RUDMAN. That is what I am directing my attention to.

Mr. GATES. But my reaction is, and as I indicated this morning, there are 8 or 10 offices in the Directorate of Intelligence. I certainly did not single out SOVA. They probably had a harder time with me because of my own Soviet background, but they certainly were not singled out for especially harsh treatment when I would review their papers in contrast, say, to other offices where I would have a problem with a paper, as well.

Senator RUDMAN. Well, I just get the impression that on this charge of politicization, it seems to me that there were some personal sensitivities involved. Some people felt that they were being accused of shoddy workmanship and, to some extent, wanted to accommodate that charge by believing, themselves, that their work was being politicized. Maybe it is not that their work was wrong, but your comments did not cause the result that you wanted.

I think that is a reasonable analysis of some of this.

Mr. GATES. I think that is a reasonable analysis, but I would have to say, Senator, that I think if they felt that, that they owed it to take issue with it, to get it out on the table, to bring it to me, to bring it to Mr. Kerr, to take it to Mr. McMahon.

This is the kind of issue that I don't think somebody should just sort of nurse quietly and bitterly. It's the kind of issue that ought to be thrown out on the table and said, hey, we have got a problem here. Let's deal with it. Let's talk about it.

Senator RUDMAN. Let me go to a question, following up one of Senator DeConcini's questions. Both of you went over this very quickly. But in an answer to one of his questions as to why the Papal assassination study was held so tightly in the Division, you said it was on close hold because of sensitive human sources.

Then you just went by that in a hurry. Without revealing anything you should not—I understand what you mean—but that is a very important reason for putting something on close hold. I assume a lot of things are compartmented within the Agency on a close-hold basis for that same reason.

Mr. GATES. Let me give you an example, Senator Rudman.

Senator RUDMAN. Would you do that for us? Because I think that is important.

Mr. GATES. We received during a period of time—and it is now historical so I think there is little danger.

Our especially sensitive, CIA's especially sensitive clandestine reports usually have a blue border down the side. So they are just referred to collectively as "blue-border documents." They are from especially sensitive sources.

Now beginning tomorrow they will probably change it to a red border or something. [General laughter.]

Mr. GATES. But the point is that in fact on these sensitive human sources there are compartments within CIA, and there are compartments within say the Soviet office, and for years we would have reporting in very narrow categories of arms control and so on that would be very carefully controlled and not all the analysts in the Soviet office or its predecessor, the Office of Strategic Research, would have access to those clandestine reports because of their sensitivity, but only the analysts and their supervisors, working on that narrow subject covered by those reports.

Senator RUDMAN. Can the Chairman tell me how much time I have left?

[Pause.]

The timekeeper is asleep at the switch?

Chairman BOREN. The timekeeper is missing. The Chair will endeavor to find out. [General laughter.]

Chairman BOREN. In the meantime, you may continue.

Senator RUDMAN. How long will the timekeeper be missing, Mr. Chairman?

Chairman BOREN. We will watch the clock and see how long she has been missing.

Senator MURKOWSKI. Until the end of your remarks.

Senator RUDMAN. Mr. Chairman, I may have other questions for Mr. Gates, but I just want to say something in closing this round.

Chairman BOREN. The Senator has six minutes remaining, I am told.

Senator RUDMAN. Thank you, sir.

I address some of it to my friend from Ohio, Senator Metz-enbaum, in a very friendly fashion.

I know that we had an event here a few nights ago where I took issue with a statement of the Senator's, and I noticed he repeated that statement, which is his right and his opinion. It was not personally libelous. I did not take umbrage at it.

The statement was that somehow on this side of this table of this normally nonpartisan Committee, we were being very partisan. We had accepted Mr. Gates, and if there was evidence that he had committed homicide, we would find a way to justify that.

The Senator did not say that.

I said that.

Senator METZENBAUM. I said "murder." [General laughter.]

Senator BOREN. The record should reflect that the Senator from Ohio said "murder" as opposed to "homicide." [General laughter.]

Senator RUDMAN. Mr. Chairman, that opinion is untrue. The Senator is entitled to his opinion and I respect it. But I want to just

say that when I went back to my office last night, my staff, who I am very close to, said to me:

Senator, we have never seen you so angry. We have seen you through Iran-Contra. We have seen you through contentious hearings. You were truly angry yesterday, and the press reflected that this morning.

And you all were right.

It is true that this is not a murder trail, as some suggested yesterday. But this Committee did witness yesterday, as far as I am concerned, an attempted assassination of this man's character.

We have had three witnesses testify this week in opposition to Mr. Gates' confirmation. I have reviewed that record. Mr. Ford, who I respect, stated that one of the reasons he came forward was, quote—and these are all direct quotes from the record:

As I am prepared to discuss at greater length, it is my view, based on the confidences of CIA officers whose abilities and character I respect, that other of Bob Gates' pressures have clearly gone beyond professional bounds and do constitute a slanting of intelligence.

Last evening, in response to a question from Senator Nunn, which Senator Nunn repeated several times, and I could see what he was getting at—I could see that he was just not understanding the answer in light of that previous testimony. Mr. Ford testified that he had no direct knowledge and specific examples; that, in reality, 16 or 17 people were just slapping him on the shoulders and encouraging him to, quote, "go for it."

As far as I am concerned, that is an astounding change in testimony, with all due respect to Mr. Ford.

Mr. Goodman's testimony lacked credibility in very critical respects. His story changed between his interview with the Committee staff and in his closed testimony.

It changed again when he testified in public on Tuesday and Wednesday. He could not support his accusations. Most of his alleged supporting facts were fiction, and most of his quotes were either inaccurate or taken out of context, and the latest is the Anne Armstrong cover sheet which he glibly said was different.

In response to, I thought, very good questioning from my colleague from Missouri, Ms. Glaudemans—who worked for Mr. Goodman of course—conceded that none of her testimony was based on any direct communications, but it was "impressions" and "atmospherics," to use her words.

All three witnesses referred to second-hand hearsay from anonymous sources.

Mr. Chairman, it may come as a surprise to some in this room, but I do not believe that opponents to a nomination need to meet the beyond-a-reasonable-doubt standard of a criminal law trial to justify their opposition. But to level the most serious charge of professional misconduct at Robert Gates requires some evidence, some reasoned analysis.

To make such a charge without any supporting evidence, to manufacture facts—and I believe some were manufactured—to inaccurately quote individuals and documents, and to cite anonymous hearsay, is, and I choose my words carefully, McCarthyism, pure and simple, and that is what we viewed with these witnesses.

I was angry last night. I have never been that angry in a hearing before this Senate. But I believe that we, of all people—knowing what we go through every six years voluntarily, willingly—ought to pay some attention to the integrity and the character and the good name of public servants who serve this Nation as Mr. Gates has.

Mr. Gates persuasively refuted those allegations today. And I am interested in the questioning tonight and tomorrow to see if anyone can score a decisive rebuttal of that incredible analysis that we heard this morning, one of the most remarkable presentations I have heard in 11 years here. It was reasoned. It was analytical. It was based on documents. It was based on sworn statements. And it is there.

One can only wonder if those three witnesses were perhaps some of the very analysts about whom Mr. Gates spoke this morning, when he recalled that some of the analysts were not challenged by the changes he proposed, but became disgruntled and ultimately vindictive.

There are legitimate issues over which reasonable people can disagree, and we do it all the time here. But whenever a person attempts to rob another public servant of his integrity, his honesty, his reputation for seeking the truth, then he ought to not come before me or this Committee with hearsay, or innuendo, or atmospheric, which is what we heard.

He had better come with facts, first-hand information, or direct knowledge.

When a man's honor is at stake—and it is more than whether he becomes the head of the CIA, it is this man's honor and integrity which is under assault—we ought to take care because, in the final analysis, our reputation for honesty and integrity is the most prized possession we can hold during our lives, be we public citizens or private citizens. We want to leave a legacy of that at least.

So that, Mr. Chairman, is why I was angry yesterday, and why I will always be angry when I see attempts at character assassination based on innuendo and hearsay.

I think Mr. Gates is probably not a perfect individual. Very few are. But if we are going to assault him, let us assault him based on proven, known places where he was guilty of misconduct, not by the kind of innuendo this Committee has heard for the last two days.

Mr. Chairman, I think we have done great damage to the CIA in the last two days. I think it was unavoidable. I joined the Chairman in asking for the public statements, but frankly what happened in public went way beyond what I ever dreamed it would, and I thank the Chair.

Chairman BOREN. Thank you, Senator Rudman. Our next questions will be asked by Senator Metzenbaum. Senator Metzenbaum?

Senator METZENBAUM. Thank you, Mr. Chairman.

I appreciate my colleague's eloquent statement, and I think it is an appropriate place for me to speak to this point because he has not changed what I have to say, but rather caused me to feel more strongly about it.

I could not agree more strongly that when people submit themselves for high public office, whether it is a political office that you

run for, or a matter of being up for confirmation, those who sit in judgment have a strong responsibility and, I would say in the latter case, even stronger than in the former.

I do not take lightly my responsibility as to whether to confirm or not to confirm an individual, because I understand the implications of it.

Frankly, Mr. Gates, I think it is fair to say that you got off on the wrong foot originally when, to the Committee's questionnaire, you told us that you could not recollect the answers on 33 separate occasions, and told us—and my numbers may be off one or two—that you did not know the answer in 40 other instances.

You had some strong charges made against you, and you went out and did some excellent research in a very short period of time in order to attempt to rebut those charges. Had you done that in the first instance, when our questionnaire went to you, I think many of us would have been a bit more comfortable.

I think many of us felt that for a man as brilliant as you, with as good a memory as you have, with the kind of training you have, to say that you could not recollect or did not know did not sit that well with us.

Now that is not enough reason not to confirm you. But I have been through a lot of confirmation hearings, and I am frank to say that I do not know when I have ever heard so many people who were willing to come forward under most embarrassing circumstances to speak out against a nominee. Oh, we heard many with respect to Clarence Thomas, but those were professionals. Those were people who had organizational positions. I am not taking about that.

These were personal.

We had Mr. Goodman.

We had Mr. Ford.

We had Ms. Glaudemans.

One of the things that affected my thinking early on in this hearing was when Senator Danforth asked Alan Fiers some questions. I thought Alan Fiers made a good witness. Then Senator Danforth asked him—and I am trying to recollect the language—but I think he said:

"Was Bob Gates regarded as a straight-arrow?"

And Mr. Fiers hesitated a long time before he answered, and then he said:

"No, he was sort of ambitious, on the make."

Then he was asked whether the President erred in choosing Bob Gates to be head for the CIA. In that instance, he refused twice to answer, first when he was asked the question broadly, and then when asked about his own personal view. In neither instance did he come forward and indicate in the affirmative, and it is fair to say he didn't answer in the negative.

Then there was the testimony of Mr. Polgar. Mr. Polgar is a man I have never known or heard of before, but it certainly had to take a lot of courage of his part to come forward and make such a strong statement in opposition to your candidacy.

Those are not easy things for a person to do.

Now today we have some new statements in the record. I will have few questions of you, Mr. Gates, and maybe none, because I

am bothered by the fact that so many people are willing to stand up and take an oath and come out against you, and to indicate their reasons for being against you.

That is not the normal thing to happen. But instead of there just being an avalanche of support coming forward—and there is some support, there is no argument about that—but more people keep coming out of the woods who indicate their opposition by sworn statements, and we are told of other analysts calling to indicate their opposition.

Here is a statement of John Hibbits, prepared for presentation to our hearing, under oath:

I am here to testify about my role in the production of the CIA paper linking the Soviets to the plot to kill the Pope in May 1985. I wrote a critique of that paper. At that time, I was Chief, Foreign Activities Branch in the Office of Soviet Analysis (SOVA). Currently, I am Deputy Chief, Russia/Union Division in SOVA.

I have spent some 30 years of my life in government service, over 10 with the Navy and almost 20 with the CIA.

I joined the CIA in 1974. I was a naval analyst in the Office of Strategic Research under DCIs Colby, Bush and Turner, and later spent two years in the Directorate of Operations on the CI Staff. In 1981, I received the DCI Certificate of Merit for my service there.

I am skipping.

I worked closely for Doug MacEachin and Larry Gershwin, both exceptional leaders in intelligence. I observed during those years, however, that relations between SOVA and both Gates and the NIC were adversarial rather than collegial; the DDI was highly critical of the SOVA product and papers regularly came back from the 7th floor with strong correctives of substance as well as style that seemed to go beyond what would be expected in a "tough review."

Over time managers and eventually analysts in SOVA understood what would and would not get thought the front office and there developed within the office, divisions, branches, and minds of the analysts a self-censoring atmosphere. Some reaction was subtle, and some more obvious. In planning our research program, for example a paper on Soviet use of chemical agents in the Third World was rejected at the middle management level because it would have no payoff; it would not show clear Soviet use and therefore we would likely only upset Gates. So I had to tell the analyst who had proposed the subject in hopes of clarifying the record that he should work on something else.

As professionals, many began to anticipate criticism and write papers that Gates would like or at least find convincing. Even with these constraints, many of us were able to write and manage a number of what I believe were solid intelligence analyses, but the process was very difficult. Others simply sought jobs outside SOVA or the Agency. It was this atmosphere that prevailed when I was Chief, Foreign Activities Branch in SOVA and Doug MacEachin came into my office in May 1985 with some special tasking. As I can best recall he told me that a compartmented paper had been drafted on the Papal assassination attempt of 1981 and it was about to be disseminated. He asked that I do a quick assessment of the paper, looking critically at the case being made for Soviet involvement. I was told it had to be done as soon as possible because Gates was anxious to get the paper out. My impression at the time was that MacEachin initiated the critique and was not enthusiastic about the thrust of the papal assassination paper. As I read it for the first time, I saw it as an effort by Casey, using Gates, to push the case further than the evidence would take us.

It goes on:

One of my criticisms of the paper was that it was speculative and did not make it clear to the reader that this was so. It did not meet the usual standards for a SOVA paper: it did not contain alternative scenarios, analysis or views, and the key judgments were not fully representative of the body of the paper.

Reading the Gates cover memo on the study sent to then Vice President Bush, my reservations about the assassination study and how it would be presented to top officials appear to have been warranted.

I believe the people who worked there then—the vast majority of both analyst and managers—believed that Gates subverted the intelligence process. It is difficult to know the truth from listening to a few of us here during the confirmation process. But I hope that you become concerned enough to continue investigating these reports.

It is an unbelievable statement—signed by John W. Hibbits under oath—unbelievable for a man still working at the Agency.

Another statement that came in came from a lady by the name of Carolyn McGiffert Ekedahl:

The bias built into CIA reporting during the Casey/Gates era continues to undermine the Agency's ability to produce quality intelligence. While the issue of politicization is difficult to confront, the problems created by flawed intelligence are significant enough to require serious and concentrated attention. "I believe that, given Mr. Gates' past performance, his confirmation as Director of Central Intelligence would send a strong and demoralizing message to intelligence analysts—and would be a disservice to the very real need of U.S. policymakers for objective intelligence analysis.

The Committee has requested a copy of a paper on the Soviet position in the Third World, written by a colleague and me in 1985. There is no copy of the paper; it was killed and never published. I believe the paper was killed for political reasons; it did not support the views of the 7th Floor.

Now I would like to ask my friend from New Hampshire to give me his attention, if he will.

When Judge William Webster became DCI in 1987, he brought with him several aides. One, Mark Matthews, was interested in the issue of politicization, and on Judge Webster's behalf, conducted an informal investigation. I have no idea how many people he talked to, but I talked to him for several hours, trying to explain the culture and the corruption of process which had occurred under Casey and Gates. On my way in and out of his office, we were both careful to prevent my being seen by Bob Gates, who was then Deputy Director. This reflects the atmosphere of paranoia that pervaded the place by that time.

In subsequent telephone conversations, Mark told me that the Judge was very aware of the problem of politicization, that the Inspector General had included a paragraph on that subject in its report on SOVA, and that the IG personally had met with Judge Webster alone (specifically without Bob Gates) and had informed him that the inspection had yielded results even stronger than those found in the written report. I never saw the report nor did I have first-hand knowledge of such a conversation between Judge Webster and the IG, but I have no reason to think Mark Matthews was not telling the truth.

Signed, under oath, by Carolyn Ekedahl.

Senator RUDMAN. Would the Senator from Ohio just like to refer—we do have in the record now Mr. Matthews' letter, which—

Senator METZENBAUM. I am aware of that. I can only tell you what this lady said, and I am well aware of Mr. Matthews' letter in the record.

Now, then, there is another statement—these are all under oath—submitted by John E. McLaughlin who says:

I was one of three officers asked by Mr. Gates in June 1985 to review the Agency's analytic record on the attempted assassination of Pope John Paul II.

Before beginning the study, we gave Mr. Gates an outline of the subjects we intended to cover and the questions that we intended to ask people.

It goes on to say:

He agreed to assist us in getting access to the right people and to certain sensitive reporting on the case. The only limitation that he placed on us was a request that we not interview outside recipients of the product. We then worked for three weeks without further consultation with Mr. Gates.

I am skipping:

We told Mr. Gates that we saw serious shortcomings in the Directorate's analysis of the assassination attempt, and we reported a widespread view that the analysis had been handled improperly.

First alternative explanations of responsibility for the event were not adequately examined in the Agency's published product.

There are a second, and a third, and I will skip to the fourth, so as not to take all the time just reading these documents:

Fourth, there was a pervasive perception that top management was convinced of Soviet culpability and that this had led to the removal of some caveats to the contrary that many would have preferred to see in the 1985 assessment. In particular, there was a widely held view that the shape and tone of the paper's key judgments, and the deletion of a scope note explaining the paper's limited focus, had been inspired, if not directed, by the 7th Floor.

Now I want to say to you, Mr. Gates, I do not know these people at all. In fact, every single person who has been a witness in this hearing, every person who has been talked about, whether it is Polgar, Ford, Glau demans, all of them, I do not know them. I have never met them before. I never saw these documents until they were put in the record.

It is true, as Senator Rudman says, that it is a very heavy responsibility that we bear as far as the confirmation process is concerned and as far as your reputation is concerned.

But I think we bear a far stronger responsibility than that.

I think our responsibility is to the people of this country. I think the responsibility goes to the efficacy and to the integrity—and more the integrity, even, than the efficacy—of the CIA.

I think the question that we have to think about in our own mind, and I ask my colleague from New Hampshire, who has been so able in his attorney-like questioning, to think about this:

What will the people of America think if we confirm for this position a man against whom so many have been willing to come forth and testify, to question his integrity and question his reliability?

What are we doing to the CIA?

What will people think of the CIA in the future?

Will this help the CIA to re-establish its reputation, or will it hurt in re-establishing that reputation?

Will there be negatives? Or will there be positive results from it?

There is not any question that the CIA is under a cloud by reason of these hearings. By confirming Robert Gates, do we remove that cloud? Or do we only make the cloud a little bit thicker?

I say to you, Mr. Gates, that I think each of us on this Committee bears a heavy responsibility. I do not really believe anymore that the question is only: Should Robert Gates be confirmed, or should he not, based upon the record?

I think that is a very, very difficult question. But I think the real question is: What will be the aura? What will be the attitude of the American people towards a CIA headed by a Robert Gates against whom so many have been willing to come forward to indicate their concerns, to put their reputations—and in some instances their jobs—on the line?

My colleague, Senator Rudman, has been apt to criticize Mr. Goodman. Mr. Goodman has a hell of a lot of guts. He works at the National War College. The War College is not something a million

miles away; it is part of the U.S. Government. It is part of this same Government of ours, along with the CIA and the Defense Department and all the rest.

I think it took a lot of courage for him to do what he did.

Mr. Ford had a lot of courage to come forward. He says he is under contract. This man I just quoted, Mr. Hibbits, also has a lot of courage.

I say to you, is your confirmation really the thing that we should be doing? You can say "yes." You might get 51 votes. You might get 65 or 82. But I say that no matter how you slice it, this entire matter, the fact that so many have come forward with so many reservations and so many concerns, I believe has put the image of the CIA in question; and I am not sure that we help that image by confirming you for this position.

Mr. Chairman, I guess I have some time left. I will reserve it for a later point.

Senator DANFORTH. I wonder if Mr. Gates might respond, if you still have time left. You have made a lot of comments, and maybe he would like to respond.

Senator METZENBAUM. I certainly would not deny him that right. Please do. I am sure he will do it at some point, if not now.

Mr. GATES. Senator, I would respond in this way.

You have indicated that it is not normal for people to come forward—and I guess including the people who have appeared and the people who have submitted those statements, we are looking at six or eight people—it is not normal for people to come forward in this way, I suppose, but it is also not normal for the President to nominate a career officer to head a department or agency of the government.

It has been 18 years since a professional headed CIA. The last one was William Colby. No Director of Central Intelligence has gone through the kind of confirmation process that I have gone through of having his entire career laid out, of having memos that he wrote and comments that he made on papers or issues laid fully bare before the American people.

The last time a careerist was nominated to be Director of Central Intelligence there was not even an Intelligence Committee. I think if you read the proceedings of that testimony, it is a very different kind of situation from 1973.

So the first point I would make is that it is not normal for the President to nominate a career professional.

The reason that he did that, that this President did that, I believe, is that he did not want the appointment to be in effect a political appointment; that he wanted the integrity of the process protected; and that, knowing that great change is coming and must come to the Intelligence Community, he wanted someone in whom he had confidence in ability and in skill and in integrity to manage that process of change, and to be able to make the intelligence product relevant to the policy process itself.

It has caused me some real pain that old friends like Hal Ford and Mel Goodman have come forward. I agree with you. I think that takes some courage. But it has caused me great pleasure that the most senior professional intelligence officers this government

has known in a generation, the likes of a Bob Inmann and a John McMahon, are willing also to come forward and be heard.

The fact is that there is a confirmation process, but the selection of the head of American intelligence is not a popularity contest. I sure as hell would not win one at CIA. But the President thinks that I am the right man for that job.

I think the rest of his national security team believes that. And I honestly believe that there are a number of people at CIA who believe that it would be a good thing to have a professional heading the Agency again. And that with the President's confidence and his mandate, we can make this change into the future.

So I will stop there.

Senator NUNN [presiding]. I believe that Senator Danforth is next on the agenda.

Senator DANFORTH. Thank you, Senator Nunn.

Well, I must say, Mr. Gates, in response to the final comments of Senator Metzenbaum, like Senator Metzenbaum I have lately become something of an expert on the confirmation process.

I think that a strong argument can be made that the problem is in the process not in the nominee. We have created a situation now, and I have seen it twice in the last month, where a nominee who has any record at all is at a very severe disadvantage.

The clear message to any President is that if he wants an easy confirmation process he darned well better nominate a total non-entity, somebody without any record, somebody who has not made a lot of speeches, somebody who has not written a lot of articles, and certainly somebody who has not managed a lot of people who might have bruised feelings over a period of years.

To say that we, through our confirmation process, can feel free to make a total mess out of somebody's life and out of an agency, and then to say, well, how do we clear this mess up? We cannot do it with you. Let us get some zero, some cipher that nobody has ever heard of, to me is putting the blame in the wrong place.

I believe that the number of analysts at the CIA is not a public—I think it is a classified number. Is it fair to say that there are hundreds of analysts?

Mr. GATES. There are several thousand people in the Directorate of Intelligence.

Senator DANFORTH. There are several thousand. Does it surprise you that, among several thousand, a half a dozen or so could be found who might have some sort of complaints, or have gotten cross-wise with you over a period of years?

Mr. GATES. No, sir.

Senator DANFORTH. Now Senator Rudman asked you about the response that people had to criticism. You are, by your own statements, a tough taskmaster. You are a person who is demanding. Your first speech when you became Deputy Director for Intelligence to the analysts was a very demanding speech requiring a tremendous amount of rigor from those who worked for you.

Senator Rudman asked the same question, but I want to put it to you also. From your experience in working with people, is it not true that some people respond to toughness and a demanding boss in a very positive way? They rise to that occasion? It makes it at their very best?

And, other people get their backs up and they are offended, or they get hurt feelings, or they are offended, or maybe every crawl into a shell.

Different people react different ways to toughness, do they not?

Mr. GATES. Yes, sir.

Senator DANFORTH. I think it is true for students relating to teachers. I have never been in the newspaper business, but I would guess that reporters respond in different ways to a tough editor.

I am sure that in Senator's offices staffers respond differently to bosses. Some bosses might be quite jovial. Others might be very demanding. I think that is human nature to respond differently and I just wanted to make that point.

Do you know Jennifer Glaudemans?

Mr. GATES. No, sir, I do not think so.

Senator DANFORTH. You do not remember ever talking to her, or calling her into your office, or calling her on the carpet in any way?

Mr. GATES. I do not remember. I may have met her once, but I do not recall doing that. Usually my response on papers and so on would be to send my reactions back to the office director first.

Senator DANFORTH. Well, her statement is the same, that she had no personal relation other than she participated in maybe a couple of briefings of you, and that in no personal connection that she had with you did she feel in any way intimidated by you.

But she did say that she prepared a briefing memo for you to brief you for an appearance before the Senate Foreign Relations Committee, and that you did not use that briefing memo.

Do you remember that?

Mr. GATES. Yes, sir. I was Acting Director. I was alone in managing, or I had no deputy as the Acting Director, and I had an appearance before the Senate Foreign Relations Committee.

They had sent me a—or they had told our Congressional Affairs Office that they had four issues that they wanted me to address.

One was the intelligence underlying the Iran initiative.

Another was on the internal Iranian political situation.

Another was on the Soviet threat to Iran.

And I think the fourth was something to the effect of the consequences of the Iran initiative on our relationships in the Middle East.

I do not remember how the testimony came together, but my suspicion is that it was prepared basically by the Directorate of Intelligence and the Office of Congressional Affairs.

Her memo may have been attached to what I received, I have refreshed my memory of it, and I will be honest. If I had written the statement myself, I probably would not have included it, because it seemed to me to be rehashing a bureaucratic battle that that office had lost, or that that set of analysts had lost many months prior.

I had not recalled that it was an issue at the time the estimate was considered for the reasons that were expressed by Mr. Fuller yesterday and me today.

Also it seemed to me that, with all due respect to the Committee, the Senate Foreign Relations Committee was not the place to start laying out bureaucratic differences within CIA.

Senator DANFORTH. Had you—

Mr. GATES. But fundamentally it was really just not responsive to the four issues that the Committee had asked me to address.

Senator DANFORTH. You did not see it as part of an effort to politicize the Agency to simply ignore a staffer's memo, or not use it when you were testifying before a committee?

Mr. GATES. No.

Senator DANFORTH. Now you indicate that there were bureaucratic differences within the CIA. Is that characteristic of the CIA, and other government agencies, to your knowledge, that there tend to develop perhaps groups, or subgroups within various divisions and agencies that develop a point of view, and they become embattled with other groups, or maybe the central office?

Is that something that occurs?

Mr. GATES. Absolutely, Senator.

Senator DANFORTH. Was that true of SOVA?

Mr. GATES. Well—

Senator DANFORTH. Or of groups within SOVA?

Mr. GATES. I think groups within SOVA. We had a lot of—Mr. MacEachin referred to it yesterday—we had a lot of issues go back and forth in the Soviet area.

I mentioned earlier today, I had all kinds of problems with the Soviet office's analysis of Soviet military spending. I thought that their dollar costing of Soviet defenses was a waste of time.

Senator DANFORTH. I do not want to—

Mr. GATES. I basically just wanted to say that there were parts of SOVA that we fought all the time, but it was part of a dialogue.

I guess one of the things that has become clear to me in these hearings is the degree to which this area, working on the Third World, kind of closed in.

Senator DANFORTH. There are bureaucratic battles, though, and sometimes maybe people get their feelings hurt, or they get offended because they might be on the losing side of bureaucratic battles?

Would that be fair to say?

Mr. GATES. Yes, sir.

Senator DANFORTH. Now I am going to send up a memo that you may or may not have ever seen. It is by a man named Gray Hodnett and it was written on the 29th of April of 1986 to members of the Third World Activities Division.

I am not going to ask you much about it except that it has various comments in the margin, and they were written by Ms. Glaudemans.

If you will, turn to page 2 right at the bottom. The general thrust of the memo is to people in the division about how to put together analyses and how to prepare papers, and so on.

If you will, look on page 2 right at the bottom. There is a paragraph that begins:

Achieving greater acknowledgement of uncertainty

and it says:

* * * omniscience is not a requirement for employment in TWAD nor, given the information resources at our disposal, is it a state of being we are likely to achieve. Unsophisticated customers should be educated in this home truth.

Does that strike you as an especially harsh thing to say?

Mr. GATES. No. I think it is fairly obvious.

Senator DANFORTH. Fairly obvious and pedestrian. I am just going to read into the record, and I hope this whole memo, Mr. Chairman, would be included in the record.

Senator NUNN. Without objection, it will be part of the record. [The document referred to follows:]

[Faint, mostly illegible text from a document, possibly a memorandum or report. Some words are visible, such as "MEMORANDUM", "TO THE PRESIDENT", "FROM THE SECRETARY OF DEFENSE", and "SUBJECT: ...". There are also some handwritten notes and signatures.]

~~WHS INTERNAL USE ONLY~~

Check pages 6 + 9 as well

~~Please let me know if you can~~


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29 April 1986

TO: Senior Members of the Division

I would like to use the attached memorandum as an agenda of our gathering on Thursday. The purpose of the memorandum is to stimulate discussion both of principles and of practical questions of operationalization. We will meet in Ben's office at 10:00. Place your sandwich order with Gloria ASAP.

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 Hodnett
Grey Hodnett

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29 April 1986

MEMORANDUM FOR: Members of the Third World Activities Division

FROM: Grey Hodnett
Chief, Third World Activities Division, SOVA

SUBJECT: TWAD Objectives and Questions of Implementation

1. This memorandum expresses my sense of the direction in which higher management would like TWAD to move, and of where Ben, Craig, and I want to steer the Division as it is buffeted by the daily crosswinds of shifting international events and unanticipated demands on TWAD's resources. The purpose of this review of priorities is to encourage dialogue on how the Division can best cope with tasks that stand before it--some of these quite specific, such as formulation of the research program for next year, introduction of changes in the handling of current reporting, reallocation of coverage of nongovernmental activities in view of the augmented responsibility of the Foreign Activities Branch for power projection, or continuation of work on data collection, and others more diffuse in nature.

2. TWAD is the busiest and perhaps most pressurized division in SOVA. We have the largest burden of current reporting, and must respond to constant demands for briefings and participation in liaison activities. We do not have as large a staff or as adequate working space as we need would like. } More than most divisions, we are involved in

time-consuming daily interaction with other offices of the DI. Our responsibilities make us a magnet for seventh floor attention, and the judgments we reach are certain to disturb one faction or another in the policy community or attentive public. More than any other division, our activities are driven by the flux of external events and priorities we cannot control. These constraints and demands are unlikely to change in the foreseeable future. Given their existence, what the Division achieves week-in and week-out is a tribute to the commitment, ability, and hard work of everyone in it.

3. Nevertheless, we can and must build on the Division's past achievements to improve our performance at the margin--in matters which are subject to our own control. Obviously, we can always do better on routine operations which are vital to good performance by the Division. Beyond these, and in addition to them, are the longer-range strategic objectives we have been pursuing and will continue to pursue. As I see them, these are:

A. Achieving Greater Acknowledgement of

Uncertainty. Omniscience is not a requirement for employment in TWAD. Nor, given the information resources at our disposal, is it a state of being we are likely to achieve. Unsophisticated customers should be educated in this home truth; sophisticated customers are

2

What kind of person would say this in our business? We are all professional intelligence officers and know this uncertainty factor is the basis of our work. How dare you say (imply) we consider ourselves omniscient.

Course

turned off by writing that dwells only on the analyst's "bottom line" and ignores intelligence gaps and uncertainties. Strong analysis is likely to give rise to strongly held views--this is natural and desirable; however, it also gives rise to preconceptions that, if not challenged, lead to premature analytic closure--and this is not desirable. The point is not that we must constantly proclaim our ignorance. What we should strive for--especially where space allows--is explicit identification and reasoned assessment of alternative explanations of what has already happened or of alternative future scenarios. The aim is not proliferation of alternatives merely as an exercise in imagination. Alternatives should be keyed to strategic gaps in available information or to future contingencies that could produce fundamentally different outcomes--including unlikely contingencies that would nevertheless have major consequences. — but let's say ^{they're} unlike

B. Undertaking More Self-Generated Analysis. Much of our writing is and will continue to be a gloss on unfolding events--this is both

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→ we call it analysis. do you want propaganda?

53-019 728

the examples
where we've
used our
analysis

and that
don't undermine
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necessary and inevitable. We should seek, nonetheless, to produce a higher proportion of papers in which we frame the problem rather than act as passive executors of projects dictated by external circumstances.] We must identify and grapple with key unresolved intelligence issues; which means, among other things, that we must engage in hard intellectual labor over what it is we don't know but need to know, and over how we can go about reducing our ignorance.] We should devote fewer resources to papers that update a "story," reproduce judgments of current conventional wisdom, or cover so broad a swath that substantiated analysis is impossible.

- C. Containing Current Reporting. Current reporting is a vital function that must be accomplished by TWAD, and its energetic performance must be rewarded--and be seen to be rewarded--no less than self-generated analysis. But, to expand the scope for the latter (especially in the two regional branches) we must attempt both to reduce the proportion of the Division's resources committed to current reporting and to foster an

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environment in which the analytic agenda, not "current intelligence," sets the tone. All solutions here involve tradeoffs and none are cost free. We are now experimenting with a consolidation of the reporting function, and at the end of two months we should be in a better position to assess the relative costs and benefits of a frontal attack on this problem.

current
intelligence
is analysis

- D. Integrating Levels of Soviet Behavior Better in Our Analysis. Soviet behavior, we all know, combines formal government-to-government relations with complex networks of sub-state and supra-national or regionally-oriented activities, all of which are "pulled" by opportunities on the ground and "pushed" by perceptions and goals in Moscow. The aims, time horizons, and yardsticks by which Moscow measures "success" are not necessarily congruent in different arenas. Traditionally, our analysis of government-to-government relations has been far stronger and more sustained than our analysis of other types of networks; the Foreign Activities Branch was set up precisely to help remedy this deficiency. Now, with the assumption by this Branch of power projection responsibilities, it is even more essential that the regional branches take

a comprehensive approach in their analysis. At present, we engage in a limited amount of broader regional analysis and virtually no serious global analysis. In the latter two cases, it is possible to take an additive approach, in which the whole (i.e., Soviet regional or global Third World policy) is seen to be the sum of policies toward the individual countries, or a deductive approach in which postulated regional or global strategies influence Soviet policies toward particular countries. We need to explore both approaches, but especially the latter which--without a conscious effort--will be ignored.

E. Presenting the Results of Analysis More

Convincingly. We disregard presentational style at our own individual and collective peril. [Every time we ignore or treat

dismissively possibilities that our interlocutors think are "live," every time we disparage the views of others who think differently (for example, at estimates meetings), and every time we implicitly call on consumers to accept our judgments on faith we undermine our credibility.] There may have been

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what specific pieces
of work?

we do not give them
our opinions -- we
give them our
analysis

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of an IA
called "Key"
Judgements?

a day when such faith existed, but that day is long gone, and unsupported pontifical assertion of opinion ("WE BELIEVE . . .") simply hurts us. We are performing for an often skeptical audience that in many instances receives much the same raw information we do and is basically not much interested in our opinion. Only careful marshaling of evidence and persuasive argumentation will have an impact on the thinking of our consumers on issues that are important and contentious.

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F. Developing the Division's Human Resources.

Among long-term tasks facing the Division, none is more important than developing the human capital that will be available to the Agency over the next 10-20 years to address the critical issues we deal with. We have a solid core of experienced hands complemented by an able group of younger and relatively inexperienced analysts. Management has the responsibility for dispensing formal training; it has a key role to play in setting the professional tone of the Division; and it has an important opportunity to foster self-development on the part of analysts. The last

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factor--the drive for self-improvement--is undoubtedly the most important of all, and there are outstanding examples of it in the Division which we all could emulate.

G. Developing the Division's Informational

"Input." We should make sure that we are generating the best "historical memory" we can, in the optimum hard copy and electronic storage combination. We need to move ahead and

complete the first phase of the data bank begun last fall. There are additions to this data bank we should consider, within the limits of time we can afford. By and large we are not keeping up with the serious unclassified Soviet discussion of Third World issues. Our

"library" of Soviet journals, in Russian or translation, is truly pathetic and would--if it were known--open us to the charge by academics of lack of seriousness. We also have

considerable to gain from expanding our personal contacts with the DO, FBIS DoD, and State.

4. The priorities and objectives sketched above are ones the Division has been pursuing for the past year. At the present juncture, how can they be further

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look in our files, the important articles are there, highlighted, and annotated. I work for the AS Executive Branch not academics

operationalized? Specifically, how can we:

- A. Encourage more openness to alternatives in analysis?
- B. Identify the intelligence problems we should really focus upon?
- C. Go about formulating and implementing a research program that facilitates the treatment of key issues rather than locks us into sterile "coverage" of off-target predetermined topics?
- D. Economize on resources being devoted to current reporting?
- E. Enrich our analysis of the means by which, and objectives toward which, the Soviets seek to influence Third World countries beyond bilateral official contacts?
- F. Capture Soviet regional and global objectives better?
- G. Improve on the presentation of our work?
- H. Foster personal self-development among members of the Division?
- I. Move forward on data "input," broadly conceived?

where have we
done this?

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tion

Senator DANFORTH. Here is the comment that Ms. Glaudemans adds. She writes, in her handwriting:

What kind of person would say this in our business? We are all professional intelligence officers and know this uncertainty factor is the basis of our work. How dare you say (imply) we consider ourselves omiscient.

Or again on page 4, if you will look five lines down on page 4, the sentence that begins "we must." It says:

We must identify and grapple with key unresolved intelligence issues which means, among other things, that we must engage in hard intellectual labor over what it is we don't know but need to know, and over how we can go about reducing our ignorance.

Does that strike you as a particularly harsh statement, or one that attacks or puts on the defensive or politicizes people in the CIA?

Mr. GATES. Not at all, sir.

Senator DANFORTH. It is a fairly obvious, pedestrian type of a statement, and ordinary, isn't it.

I will read her comment. She writes: "That is so insulting I will not even comment."

I just restate the fact that it seems to me that some people are very easily offended and very easily feel threatened.

Now I would like to ask you about Mr. Goodman, because you have described him as an "old friend."

You and he went to the CIA at the same time, did you not?

Mr. GATES. I think he arrived there a couple of years before I did.

Senator DANFORTH. I thought you both went in 1966, but you were approximate—

Mr. GATES. We didn't—I'm sorry, we did. I was at the Agency for a very short time in '66 and then went into the Air Force, and I first encountered Mr. Goodman in the summer of '68.

Senator DANFORTH. And he had a Ph.D. at the outset, and you did not; right?

Mr. GATES. I think that is right.

Senator DANFORTH. You later earned one.

Mr. GATES. That is right.

Senator DANFORTH. So at the beginning, is it fair to say that he was somewhat senior to you?

Mr. GATES. By having been there a couple of years, yes, sir.

Senator DANFORTH. But you were generally colleagues. He was a little bit senior, and I think paid a little bit more than you were. Right?

Mr. GATES. Probably.

Senator DANFORTH. But you were in the same office?

Mr. GATES. Yes, sir.

Senator DANFORTH. Is that correct?

Mr. GATES. Yes, sir.

Senator DANFORTH. Now, then, he later became—I have got charts here somewhere—he later became a division chief. And, while he was a division chief, you were the Deputy Director for Intelligence.

Is that not right?

Mr. GATES. Yes, sir.

Senator DANFORTH. Now my organizational chart indicates that Division Chief was about five rungs below Deputy Director of Intelligence.

Mr. GATES. Yes, sir; four or five.

Senator DANFORTH. And then my understanding is that Mr. Goodman had certain problems in managing people, and that he was moved under Mr. MacEachin as a kind of an adviser to Mr. MacEachin in the Office Director's office, but out of the chain of command.

Is that a fair statement?

Mr. GATES. Yes, sir.

Senator DANFORTH. And, furthermore, that Mr. MacEachin then had to, I think this was part of the testimony yesterday, move Mr. Goodman out. And he then found a job, or a job was found for him at the War College.

Is that right?

Mr. GATES. I am not as familiar with that next step.

Senator DANFORTH. But when he was transferred from Division Chief to within MacEachin's office, he was moved out of the chain of command?

Mr. GATES. Yes, sir, out of the managerial chain of command.

Senator DANFORTH. Was there surrounding Mr. Goodman—we talked earlier about the bureaucratic battles that sometimes went on—did he have a kind of a little circle around him?

Mr. GATES. Well, I really wasn't aware of that certainly at the time, you know, I mean other than the people who worked for him. But in terms of a group of people that kind of felt themselves bound together, no, I was not aware of that at the time.

Senator DANFORTH. But he did have some people working for him?

Mr. GATES. Oh, yes, sir.

Senator DANFORTH. Was Ms. Glaudemans one of those people?

Mr. GATES. I assume so now. I do not think I was aware of it at the time.

Senator DANFORTH. I think the answer to that is, yes, that she did report to him.

Thank you, Mr. Gates.

Senator NUNN. Thank you, Senator Danforth.

I believe that Mr. Warner is next.

Senator WARNER. Thank you, Mr. Chairman.

Mr. Gates, each of us has our heroes in life, and my favorite hero is Harry Truman. He had that immortal statement which says "if you can't take the heat, get out of the kitchen."

I think you have today fulfilled whatever obligation you might have had to come back before the Senate and in a very calm and dispassionate way, and above all factual—you have been very factual—you have given your side of the story.

I think it is now time for this Committee to consult among ourselves and begin to reach a decision. We have had seven days of testimony, six sworn affidavits, and if we do not get on with our business we will be awash in these assertions and denials and opinions and hearsay and the like.

I am afraid that our ship could be steered more by publicity and politics than by the facts.

I want to say a word about politics. I woke up this morning and was greeted with our local paper, which I respect and read, and there on the front page is what I would say is a little gratuitous advice and consent given by a Member of Congress who occupies a very important position as Chairman of the House Intelligence Committee, in which he said the following:

If he [and he is referring to you] puts the interests of the Intelligence Community first, and if he cannot with absolute certainty disprove the charges against him of slanting intelligence reports, the noble thing for him to do is withdraw from the nomination.

Well, I have worked with McCurdy through the years, and that astonished me. I think you have answered him today with dignity and with calmness and with the facts.

It seems to me, it has been my observation in working in the national security arena in this city for two decades, that the heavyweights, the big men that are given the responsibilities of the House and Senate Committees that relate specifically with national security, they are usually quite capable of resisting the temptation of politics.

And, if they had that type of deep-seated concern, certainly they would have waited until you have had the opportunity today to make known your case in rebuttal, but most likely they would have quietly talked with the President of the United States, or indeed some of the Members of this Committee, but not have gone public.

But perhaps it is for the best, because I think you have answered it. You have stayed in the kitchen and taken what little heat others can dish out.

Much attention, and I think far too much attention, has been given to this panel that appeared yesterday, and indeed it was their second appearance. I was present on the night on which they gave basically the same testimony in closed session.

Our job is to weigh all of the statements, facts, opinions, assertions, denials and the like that come before us. I respect those individuals. I think they came here with a sense of commitment and conscience to tell their story, and we listened. We had the opportunity to cross-examine.

And if you are going to be fair about this, you take it into consideration and you rebut it with what we regard as evidence or facts which are more credible.

Take Mr. Goodman. He talked about Director Webster. My colleague from New Hampshire brought the letter in, which I think went a very long way to disprove those assertions about Webster.

That was followed up today by a letter from Mark E. Matthews, one of the two individuals that Goodman indicated were directed to conduct this inquiry.

I think it is important, although Senator Metzenbaum has departed, and the letter is in the record—we have a number of viewers and others following this proceeding who should be given the opportunity to have the benefit of what this man said, dated September 30th of this year.

He replies:

This first two full paragraphs on page 35 of Mr. Goodman's testimony appear to imply that another special assistant and I were brought to the CIA by Judge Webster for the purpose of conducting a secret investigation of the DDCI Gates.

In fact, Judge Webster never in any way at any time asked me to conduct an investigation of the DDCI and, accordingly, never asked me to keep any such investigation secret from the DDCI.

My service as Special Assistant to the DCI was simply a continuation of the same position that I had held with Judge Webster at the FBI prior to his nomination as DCI.

Immediately prior to discussing my alleged role, Mr. Goodman also stated that "Webster was quite aware, I believe, that the CIA was being politicized." I wish to inform the committee that Judge Webster never, repeat never, expressed any such "awareness" in my presence.

And he concludes in a very thoughtful and dispassionate way:

In summary, my two relatively casual meetings with Soviet analysts should not be misconstrued as a secret investigation by Judge Webster through me of Mr. Gates. This simply is not true.

We take this type of statement and put it side by side with those of the panelists of yesterday and weigh it, as you said, together with the statements of other careerists—Innman, McMahan, and Kerr—and then reach our conclusion.

I am confident that this Committee, under the able leadership of our Chairman, will do just that in a very fair and an objective way.

I must say about our Chairman, we came to the Senate together. We have served together in many capacities, and never once have I seen him in this Committee try in any way to inject a note of partisanship or a note of dissention.

He has always made his managerial decisions, except timekeeping—

[General laughter.]

In the best interests of our Nation and its security.

I would like to pass it on. That is the way this Senator will deal with yesterday's panel, except I must say that Mr. Ford's comments will remain in my mind.

You touched on them today I thought in a very careful manner. You said you were disappointed. You did not indicate any vindictiveness against him. But I am just wondering, had he tried to contact you, would you have responded? And how would you have responded? As one old colleague who worked side by side, he being your deputy in one segment, how would you have responded had he come to you and said, Bob, look here, I am troubled.

He seemed to have gone through a transformation. He came in to visit with our staff. I went through all of the background. I did not detect even the foundation for the assertions and the conclusions he reached some two months later before the Committee.

How would you have reacted, had he called you?

Mr. GATES. Mr. Ford is, to my way of thinking, a gentleman and a gentleman of the old school. I enjoyed working with him and have high regard for him, and I continue to have high regard for him. And if I am confirmed and he wants to keep being a contract officer for CIA, he certainly would be welcome to do that, from my standpoint.

I think that if he had come to me, I would have tried to dissuade him of his views in terms that I did with the Committee this morning, and to counter what he had heard with what information or

evidence I had. But I have, I think, taken the same analytical—I know it sounds self-serving to say this, but I think it is honest—I think I would have taken the same approach to him that I have taken with others in the analytical process.

And that would have been: Well, if that is your conclusion, then you do what you have to do.

Senator WARNER. Well, let's pick up on that note because in many ways the impression gained from this hearing—and I think this hearing has been good, good for all of us, those of us here in the Senate, and good for the overall CIA. It has enabled us to have an opportunity to look into that agency in a certain way that has not been available before.

I always take the view that people can learn, and do learn, and try and do better.

My association with the cross-current of CIA employees is that they are patriotic, dedicated people. Most of them could go elsewhere and earn a higher salary. They are not a bunch of—certainly the analysts are not a bunch of—tenured professors quarreling in a faculty meeting.

How do you propose as Director to reach down and tap this resource of brain power and energy and draw out in a more productive way and make available their assets in a more efficient and productive manner?

Mr. GATES. Senator, I think there are several things that can be done in this respect. I think that the idea that was advanced earlier by Senator Chafee about more frequently bringing analysts before policymakers and the Congress for testimony or for briefings.

At the very first hearing—I will come back with some other ideas in a minute—but at the very first hearing, one of the Members of the Committee asked me about morale and I said that I thought the most important element of morale in CIA was the feeling on the part of the people there that their work was recognized and valued and important in the process.

I think that to the degree further steps are taken to make that work more relevant and more a part of the policy process, it will have a ripple effect throughout the Agency.

I think that there are some measures that can be taken. I know that when I was DDI and DDCI I did not hesitate to ask the office directors to have analysts come up and brief me, and inform me about things. That is a practice I would continue if I were confirmed as Director.

I think that taking some of the steps that I indicated this morning in terms of encouraging more openness and more encouragement of the analysts—

Senator WARNER. Well, let me just sort of summarize. You have benefitted from the hearing, then?

Mr. GATES. Yes.

Senator WARNER. You have heard this cross-fire, and you are going to take a new approach with that subject. Am I not correct?

Mr. GATES. Yes, sir.

Senator WARNER. Let us turn to an area in which the Armed Services Committee has direct jurisdiction. That is, the oversight of the DIA and its relationship to the CIA.

I listened to your testimony this morning, and I am not sure I fully understood what you project as your view as to the relationship of CIA in the future should you become Director—and I hope you do—and the DIA.

What is the role, the future role, that you believe CIA should play in military intelligence?

Mr. GATES. I think CIA has an important role to play, but I think that in the new environment in which we find ourselves around the world that CIA ought to take a hard look at the work that it does across the board on military issues.

When I was DDI, I was prepared to hand over to DIA the maintenance of data bases on Third World militaries, except for a handful of countries such as those in the Middle East where there might be a war and so on. But in terms of Latin American countries, or African countries and so on.

So I have always felt that there was room for a greater division of labor between the CIA and DIA. I have always promoted a close relationship between the two. It was at my behest that the two agencies appeared here for the first time on the Hill several years ago for the Joint Economic Committee.

It was at my behest that the CIA and the DIA did the first ever annual production estimate on Soviet weapon systems.

So I see a very close relationship there. But I think it is even broader than CIA and DIA. I think if there are to be some real budget savings along the lines that the Chairman was referring to earlier, you cannot have a situation that has existed up to this time of a half a dozen major intelligence organizations in which the DCI essentially sits outside them and approves their top-line number, and perhaps specific major investment programs in their budgets, but essentially leaves alone the way all of their assets and capabilities are managed.

We are going to have to look at the total pool of those capabilities, have some division of labor, and have some efficiencies that enable us to cut out some duplication and so on.

I think, therefore, that there is going to have to be, from a management standpoint, a much more tightly knit Intelligence Community in all issues, and especially in military intelligence because that is where most of the money is, like the banks.

Senator WARNER. Correct. But in your capacity, you would have direct jurisdiction over those budgets, and you should, I agree with you, get more involved in their work product and how to remove the redundancy.

What about the redundancy in the three military departments, the Army, the Navy, the Air Force? Therein, each has its own separate intelligence.

Mr. GATES. I very much applaud the measures that Secretary Cheney has been taking with his Assistant Secretary Andrews to have some control inside the military. The service organizations were supposed to go away. They not only didn't go away, they got bigger. So you ended up not only having DIA, but the service intelligence organizations, and then intelligence organizations in all of the unified specified commands.

And what Secretary Cheney and Duane have been working on is the fact that in all of that triple redundance, if you will, there have got to be the opportunities for some major efficiencies.

Senator WARNER. I think my time is up, Mr. Chairman.

I thank Mr. Gates for his contribution to this Committee's work today.

Chairman BOREN. Thank you very much, Senator Warner. We have had the witness testifying for some time so I would suggest that we take about a 10-minute break and then we will come back and Senator Gorton will begin the questioning at that time. We will stand in recess for just about 10 minutes.

[A brief recess was taken.]

Chairman BOREN. We will come back to order.

As a matter of information, again, for Senators and other interested parties, I have determined that there are sufficient additional questions that Members wish to ask, including a few questions in a second round in open session that we will not be able to complete tonight.

We were trying to determine if we went on a few minutes later could we complete tonight. We cannot do so, so we will stop at six o'clock. We will come back in the morning at 9:30 for an hour or two in open session, followed by our closed session on classified matters. And we will undoubtedly be able to complete our work before the close of business tomorrow. That will be the schedule.

And I now turn to—

Senator MURKOWSKI. I wonder if the record would note that I have in Alaska an investiture of federal circuit judges as well as other commitments. In view of the fact that it takes me some 12 to 14 hours one way, I plan to leave tonight at eight o'clock and fly all night and make those commitments.

So, with your indulgence, I would like to be not excused but I guess advise you that unfortunately I will not be here tomorrow. I will be returning to the votes Tuesday.

Chairman BOREN [continuing]. The Chair certainly understands. We know that he has a long standing commitment. Those of us who have the burden of flying four or five hours to get home can only have sympathy for those who have to fly 14 hours. And we certainly understand the problem.

I will say to the Vice Chairman that we know how to reach you in Alaska. If there are matters that require joint deliberation, I will track you down and we will have a consultation. We'll go forward.

Senator MURKOWSKI. You might dust your snow shoes off, but you can track me.

Thank you.

Chairman BOREN. Thank you very much.

Senator GORTON. Mr. Chairman, in his testimony yesterday and earlier, Mr. Goodman alleged that Bill Webster asked Mark Matthews, one of the assistants, to conduct an investigation of the politicization of intelligence under the aegis and supervision, as it was prepared under the aegis and supervision of Mr. Gates.

Yesterday evening Senator Rudman read a letter from Bill Webster denying that any such investigation had ever been asked for by him or, indeed, conducted.

Nevertheless, this afternoon, Senator Metzenbaum repeated the allegation, as far as I know ignoring completely or almost completely Bill Webster's statement, citing not only Mr. Goodman but another undisclosed or unknown individual for that. Senator Metzenbaum ignored not only Webster's letter to us, but another one from Mr. Matthews himself, dismissing it with the remark, "Oh, yeah, I have seen that."

I find all of this somewhat troubling.

Senator Warner read two paragraphs from the letter from Mr. Matthews, but I believe that this is an issue important enough so that it is appropriate that not only the Committee but the people who are watching these hearings know exactly what Senator—what Mr. Matthews said.

We now have a letter from the DCI, Mr. Webster, who is supposed to have authorized the investigation, and one from Mr. Matthews, the individual who was supposed to have conducted the investigation. One would think that that would be enough. Evidently it is not.

Therefore, I would like to read Mr. Matthews' letter in its entirety. It was dated September 30th and it reads:

Dear Mr. Chairman and Mr. Vice Chairman, I have been provided with four pages of testimony by Mr. Melvin Goodman before the Committee and I have been asked by the Select Committee staff to comment about certain passages relating to my position as Judge William A. Webster's special assistant at the CIA.

The first two full paragraphs on page 35 of Mr. Goodman's testimony appear to imply that another special assistant and I were brought to the CIA by Judge Webster for the purpose of conducting a secret investigation of DDCI Gates. In fact, Judge Webster never in any way at any time asked me to conduct an investigation of the DDCI and, accordingly, never asked me to keep any such investigation secret from the DDCI.

My services as special assistant to the DDCI was a continuation of the same position that I held with Judge Webster at the FBI prior to his nomination as DCI. Immediately prior to discussing my alleged role, Mr. Goodman also stated that "Webster was quite aware, I believe, that the CIA was being politicized." I wish to inform the Committee that Judge Webster never expressed any such awareness in my presence.

With respect to the alleged investigation, I believe that Mr. Goodman is referring to an incident in the late spring or early summer of 1988, when I met a Soviet analyst named Jennifer Glaudemans. I recall our first meeting as a social lunch at work, arranged after we found out that we both had attended the same graduate program. During that conversation, the said subject of the DDCI came up and Ms. Glaudemans related some concerns about the DDCI's objectivity within the Soviet analytical division and alleged personnel changes designed to further the DDCI's analytical views. My recollection of the allegations is that they were directed primarily to the period prior to Judge Webster's arrival at the CIA.

Neither prior to nor during my meeting with Ms. Glaudemans did I consider the meeting an investigation of the DDCI. However, because part of my responsibilities for Judge Webster included keeping my ears open to potential problems, I heard Ms. Glaudemans out. I simply wanted to determine if these complaints needed to be raised with Judge Webster.

I also recall another brief meeting in my office on the same topic, to which Ms. Glaudemans brought another Soviet analyst. I do not recall whether Ms. Glaudemans suggested this meeting or whether she produced the other analyst in response to an inquiry by me as to whether her views were shared by others.

During that meeting, the other analyst expressed concern about the DDCI's learning of the meeting. And I assured her that I would keep their names to myself. Perhaps this is the genesis of Mr. Goodman's testimony about something being kept from the DDCI.

Mr. Goodman also states that I made calls, including one to him. I do not remember making any such calls or ever speaking with or meeting with Mr. Goodman. I suppose that it is conceivable that I had a very brief conversation with him if a particular allegation needed to be clarified or if Ms. Glaudemans or the other analyst

indicated that he wanted to speak with me. To my recollection, I only spoke with Ms. Glaudemans and the other Soviet analyst for a brief period simply to determine the nature of the complaints that they were making in order to decide what, if anything, to tell Judge Webster.

Shortly after the two conversations above, the Inspector General's report on the Soviet analytical division arrived at the DCI's office and it contained a section on the perceptions of the politicization. I noted the report to Judge Webster, but never had a conversation with him about it or the conversations due to my departure from the CIA shortly thereafter.

My primary concern had been alleviated, however, in that the report had detected and investigated the issue. It was my opinion that the Inspector General had investigated the essential problem, communicated to me by Ms. Glaudemans and the other analyst on the subject of politicization and it made the findings contained therein.

In summary, my two relatively casual meetings with Soviet analysts should not be misconstrued as a secret investigation by Judge Webster through me of Mr. Gates. It simply is not true.

Lastly, I am not aware of any facts or allegations concerning the politicization issue not already before the Committee. If the Committee requires any further information, I can be reached at the above address at the United States Attorney General's Office in the Southern District of New York. Mark Matthews.

So the investigation, the secrecy, the keeping it from Mr. Gates, all of it seems to me irretrievably and incontrovertibly are the figment of the imaginations of Mr. Goodman, Ms. Glaudemans, and the other analysts in this case.

With that, Mr. Chairman, maybe I can share a couple of perceptions from a different perspective.

As the Chairman well knows, of the 15 Members of this Committee, this Senator has far the shortest and least exposure with and work with the Intelligence Community or the CIA. All of the other Members have either served longer on this Committee, were involved in the Iran/Contra hearings, or have had other experiences in the Senate different from and more with respect to the CIA than has this Senator. So perhaps that does something to these recollections.

But I must say as one whose previous knowledge of the CIA came mostly from reading newspapers and spy novels, that these hearings have destroyed the credibility of a thousand spy novels, perhaps even those of Senator Cohen. [General laughter.]

Senator GORTON. The CIA is quite evidently not the monolith we were led to believe, aimed at a single goal, one thousand minds working as one in deepest secrecy. No, it turns out that I think we have a very different CIA, much more similar to hundreds of organizations with which all of us are all too familiar.

I believe to the contrary of the expressions of alarm over these hearings that that is a very healthy situation and that it is wonderful that the people of the United States have been exposed to it. Imagine analysts in the CIA differ from one another on the way in which they approach particular issues. They start from different philosophical bases, they read facts differently, they weigh them differently, some are more willing than others to take leaps of faith. They argue with one another bitterly and deeply on a number of issues. They are annoyed when their views at one level are not instantly and completely heeded by others on some higher level.

It sounds exactly like almost every other organization in America. And it sounds to me like a damn good idea, Mr. Chairman. I

believe that we are much more likely to get the truth, the DCI is much more likely to get the truth, the President of the United States is much more likely to get the truth when there has been a hell of a fight in the CIA over what the truth is before something is delivered to the President.

On the other hand, no organization not our own can deliver 40 different opinions and then say pick the one you want. They've got to come up with the view of the community or of the organization before they report it forward. And I suspect, I know, that I am going to feel more rather than less comfortable in dealing with the CIA and with its Director in the future, because I will be convinced that there has been a real struggle, a real set of differences of opinions in arriving at the opinions which they hold.

I suspect, incidently, also I will be perhaps a little bit more likely to say that I'm not sure that you're right. And I am going to continue in the views that I already hold in spite of what Mr. Gates or some other person tells me.

With respect to this nomination, however, that leads me to one other observation. Mr. Gates, the nominee, has spent his entire career in or around this organization. Given the nature of the debates within it, I am astounded that only three people from within the organization have come up to protest bitterly about his appointment, and that only three or four others have even submitted written and sworn statements expressing the same views. I can even perhaps agree with Mr. Ford and others to say that they may represent double that number of those who don't want to come forward.

But, Mr. Gates, to me, for a person to have moved as rapidly through that organization as you have, and to have made so few enemies, is something I find remarkable, rather than to be overwhelmingly disturbed by the fact that you had made some. In fact, if you had gotten to the top without doing so, I would have been much more likely to find something wrong with you.

Anyone in an organization like that who is universally loved, I suspect, is not particularly effective at asserting his or her views on subjects which are very important to us.

Finally, Senator Metzenbaum a little earlier in the day quoted another one of our witnesses who accused you of being an ambitious man. That is a terrible—

Senator METZENBAUM. I didn't accuse him of that.

Senator GORTON. I think you quoted someone else who did.

Senator METZENBAUM. I'm sorry.

Senator GORTON. I find that terribly disturbing. That is a term that might possibly be applied to at least some of the members of the panel who are judging him here today. In fact, to be a little bit less facetious, I think that is a very important quality for someone who is—has been selected for the position which you have here.

So I simply repeat, I think these hearings have been extremely healthy. Maybe not for you, perhaps not even for some of the witnesses who have come before us. But for the people of the United States, who have had the CIA to a certain degree demythologized, who are likely to be able to relate it more closely to their own lives in the future than I suspect they have in the past, and whom I hope, along with this Senator, will regard the process we have gone

through to have been a healthy one and who will make their judgments accordingly.

After going through all of the allegations, but most particularly this one about the secret investigation of you, I am left with only one thought. There is an old adage: Through jaundiced eyes, everything looks yellow. In my view, however, looking through clear eyes, we have seen a better CIA, a healthier CIA, and an individual who, in the view of this Senator, deserves confirmation.

Senator METZENBAUM. Mr. Chairman, I came over promptly when I heard my friend from Oregon speaking about the Matthews' letter.

Senator GORTON. You still don't get the state right, Senator

Senator METZENBAUM. Why don't you move? I have made the same mistake 107 times. I am a slow learner. [General laughter.]

But the fact is, apparently you were not listening carefully when I was speaking, because while I was speaking, Senator Rudman said, "Have you read the Matthews' letter; it is in the record," to which I responded, "I am aware of the Matthews' letter. I know."

You said in your statement earlier that I was quoting some unnamed source. I was quoting a woman whose testimony is a part of this record under oath, and is part of the record by agreement of the Republicans and the Democrats of both sides. I was pointing out that there are two sides of the question as to whether Mr. Goodman is right or wrong. This lady seems to support his point of view. Mr. Matthews does not.

But I didn't want the record to reflect that I was quoting some unnamed source. It is in the record. It is available for you to read.

Senator GORTON. In fact, I just read it myself in reading Mr. Matthew's letter, which speaks of speaking to two women analysts.

The point that I was making, Senator Metzenbaum, is that it seems to me that one has absolutely direct evidence from the two principals as to what they did and what they thought. That is not only more significant than the impression of two people who they thought they were interviewing casually, but is overwhelmingly probative evidence.

If you are unwilling to believe the man who is alleged to have caused the investigation to take place and the man who is alleged to have conducted the investigation, I don't know—

Senator METZENBAUM. I don't know whom I believe. This woman said she spent several hours speaking with Mr. Matthews. Mr. Matthews said he didn't spend any time investigating the issue. One of them is wrong. I don't know which is wrong. I don't know either of the people.

Chairman BOREN. I am going to rule that this is getting into debate. This is a question period and we have Members, some of whom cannot be here in the morning. I want to be sure to get through the rounds of questioning.

Senator Bradley will be recognized next and will be followed by either Senator Cranston or Senator Nunn. We are determining whether Senator Nunn wishes to wait until the morning and have Senator Hollings proceed.

Senator Bradley is next. Senator Bradley.

Senator BRADLEY. Thank you very much, Mr. Chairman.

Mr. Gates, if I could, I would like to go back over some territory that we've been over before, just so we have the record straight. On November 25, 1986, you gave a speech on SDI.

Mr. GATES. Yes, sir.

Senator BRADLEY. In that speech you said that a ground-based laser device would be tested in the 1980s. We had an exchange about that during your last appearance before the Committee. At that time I asked you if there was evidence that there was a test for a ground-based laser device, to which if I recall you said, no.

I then asked you if you would make the speech again. And you said, what? The Chairman went over the territory today.

Mr. GATES. That I would not.

Senator BRADLEY. That you would not make this speech again.

Mr. GATES. Yes, sir.

Senator BRADLEY. Because the speech tread onto policy and political activity, is that not correct?

Mr. GATES. Because it could be interpreted as advocacy.

Senator BRADLEY. And it was a very specific speech advocating SDI.

Now, on that same day, November 25, 1986, you made another speech. It is a speech that has come to be known as the "War-By-Another-Name Speech." Now in that speech, you say that:

The Soviets' aggressive strategy in the third world has, in my view, four ultimate targets. First, the oil of the Middle East, which is the lifeline of the west and Japan. Second, the isthmus of and canal of Panama between North and South America. And, third, the mineral wealth of southern Africa.

Now my question to you is what was the intelligence backup for stating that the Soviet target was the Panama Canal?

Mr. GATES. As I indicated at the outset of that paragraph, Senator, I was careful in that instance to say that this was my view. In my view, in contrast to the rest of the speech, and the portions of the SDI speech, Soviet/SDI speech, where I was citing what the intelligence said. Here I was careful to give my opinion.

Senator BRADLEY. So you didn't base this on any information or intelligence? This is your opinion?

Mr. GATES. Yes, sir.

Senator BRADLEY. You were basically offering an opinion that had no backup; is that correct? An opinion that was not justified by any kind of intelligence. There were no studies that you could cite that would confirm your statement that the Soviets were targeting the Panama Canal?

Mr. GATES. I think what it was, Senator, and I will confess to a certain poetic license here, but what I was trying to convey was a Soviet interest in particular in creating difficulties for the United States in Panama and in Central America, that they were interested in being able to deny the West the oil of the Middle East and in being able to deny the West access to some of the minerals of southern Africa.

I perhaps could have stated it——

Senator BRADLEY. In fact, you had no backup?

Mr. GATES. There was no specific intelligence reporting.

Senator BRADLEY. No specific intelligence report. This was your belief?

Mr. GATES. Yes, sir.

Senator BRADLEY. The same for the minerals of South Africa?

Mr. GATES. Yes, sir.

Senator BRADLEY. So one day, the same day you make a speech advocating SDI, you make a speech advocating or expressing a serious concern about Soviets targeting Panama and South African minerals. But you have no backup for those statements.

So you were expressing your political view?

Mr. GATES. It was certainly my analysis.

Senator BRADLEY. Now in that same speech, you have the following sentence. You say a new approach to foreign military sales is needed so that the United States can provide arms more quickly to our friends in need, provide them with the tools to do the job and to do so without hanging out all of the dirty linens for all the world to see.

What did you mean by military sales that could be provided more quickly to friends without hanging out all the dirty linen for all the world to see?

Mr. GATES. What I had in mind, Senator, was that we needed to find a process by which the United States could sell arms to our friends in ways that did not—were not so politically damaging to the recipient as to negate whatever good the weapons might do in terms of enhancing their security.

Senator BRADLEY. Was there any reference there to Iran-Contra, any thought in your mind about Iran-Contra?

Mr. GATES. No, sir. In fact, what I was thinking of were the arms sales to Saudi Arabia.

Senator BRADLEY. This morning in the exchange with Senator Boren you said or intimated, I think I caught a hint, that if you had it to do over again, you wouldn't make this "War-By-Another-Name" speech. Is that right?

Mr. GATES. That is correct, sir.

Senator BRADLEY. And you wouldn't make the speech because it is once again treading onto political waters?

Mr. GATES. It could be read that way, yes, sir.

Senator BRADLEY. Now you made both of these speeches on the same day. Do you usually make two speeches on one day?

Mr. GATES. I rarely give speeches at all, especially in the last several years. But, no, I was in California and I had had two invitations from two different organizations and tried to do them just because I was out there on the West Coast.

Senator BRADLEY. So that this was in an unusual circumstance?

Mr. GATES. Yes, sir.

Senator BRADLEY. You have, on the same day, two major speeches on highly political issues in one place. Now what else was happening on November 25?

On November 25th, as I recall, that was the day that Attorney General Meese announced the Iran/Contra scandal.

Mr. GATES. Yes, sir.

Senator BRADLEY. A couple of days earlier, Ollie North's files had been basically uncovered, discovered, right?

Mr. GATES. Yes, sir.

Senator BRADLEY. You have told us that you did not know about the diversion in August when Mr. Kerr mentioned it. You don't remember hearing that, is that correct?

Mr. GATES. Yes, sir.

Senator BRADLEY. But you do remember the early October meeting with Mr. Allen, I think, right?

Mr. GATES. Yes, sir.

Senator BRADLEY. And you remember him telling you that there was a diversion?

Mr. GATES. I remember him telling me at the end of a discussion of the operational problems he saw in the operation that he thought that there was at least the possibility that some of the money might have been diverted. He had characterized it as speculation.

Senator BRADLEY. And Mr. Allen himself said that he recalls you saying, well, you have heard that rumor but you don't recall ever saying that to him, is that right?

Mr. GATES. That is correct.

Senator BRADLEY. Okay.

But on October 1, you learned according to everybody including your own testimony that there was a diversion?

Mr. GATES. No, sir. I learned that Mr. Allen was speculating about the possibility of a diversion.

Senator BRADLEY. Okay. And that was the first time that you heard about it, is that right?

Mr. GATES. That is certainly the first time that I recall hearing it.

Senator BRADLEY. Would that have been a serious matter in your mind, a diversion?

Mr. GATES. The entire matter was serious enough that I told him that I thought that he should see the Director.

Senator BRADLEY. So you knew somebody was going to be in trouble; is that right?

Mr. GATES. No sir, not necessarily. The major concern was that it looked like the operation with Iran, the Iran initiative, was about to become public. That was the primary concern. And it was clearly going to be a major foreign policy embarrassment, if it did, for the Administration. His speculation was a part of that, but at that point, was not the major part.

Senator BRADLEY. So no bells went off in your mind, no concern?

Mr. GATES. I was concerned enough about the entire matter.

Senator BRADLEY. Including the diversion?

Mr. GATES. That possibility, yes, sir.

Senator BRADLEY. That he should go see Mr. Casey?

Mr. GATES. Yes, sir.

Senator BRADLEY. Now, you know I begin to see this coming a little bit into focus and I am not sure I'm correct here, but I would like you to help me clarify. We have you giving the two speeches on November 25th. October 1st, you learn about them. Earlier, several weeks earlier, you learned for the first time that there was a diversion.

Mr. GATES. The possibility.

Senator BRADLEY. The possibility of a diversion. And you realize that there is the possibility of a diversion and there could be some problems?

Mr. GATES. I wasn't sure of that.

Senator BRADLEY. Possibly.

Mr. GATES. That's why I wanted others to look at what Mr. Allen had to say.

Senator BRADLEY. Now a couple of days prior to November 25th, Don Regan visited Mr. Casey at the agency. Did Mr. Casey talk to you about that meeting?

Mr. GATES. No, sir, he did not.

Senator BRADLEY. Did you have any idea how he was affected by that meeting?

Mr. GATES. No, sir.

Senator BRADLEY. Now, the circumstance is that the Iran/Contra diversion is now known by a number of people including you. You then go several weeks later on November 25th to San Francisco and make two speeches on two highly political issues in the same day. Now, who was a strong supporter? Who was the strongest supporter of SDI in the administration?

Mr. GATES. Apart from President Reagan?

Senator BRADLEY. No, President Reagan, right? And who had the strongest concern about the Soviet threat?

Mr. GATES. Probably Mr. Casey.

Senator BRADLEY. Mr. Casey or Mr. Reagan.

Now my question to you really is this: you saw problems developing. You had done your best to maintain that you didn't know about things developing in the agency or anything about the diversion. But isn't it possible—isn't it possible—this isn't anything new in this town—that you were auditioning in those two speeches for the directorship, if Mr. Casey went?

Mr. GATES. That is absolutely not the case, Senator.

Senator BRADLEY. Can you give us some reassurance as to how that is false? And I don't assert it. I am just curious as to how you might respond.

Mr. GATES. First of all, I had only been Deputy for six months. I assumed that Mr. Casey would be around through the end of the second Reagan Administration. And I assumed that being deputy director was as high as I would ever go, and it was much higher than I ever expected to go. So I had no anticipation of replacing Mr. Casey, and I didn't have that expectation even after he fell ill. It was clear that the Administration was looking elsewhere when that happened.

Beyond that, the two speeches that I gave in California were scheduled long before the events of that preceding week. I had given or gave those speeches in different places at other times, basically the same speech.

To suggest that a—that I knew there was going to be big trouble, that I knew Mr. Casey was going to be a part of that trouble, and that I was anticipating the possibility of replacing him and therefore trying out, if you will, frankly just doesn't hang together, Senator.

Senator BRADLEY. Okay.

What, then, is your explanation for the two speeches on the same day?

Mr. GATES. It is simply the fact that I was in California, had received two invitations, and decided to take advantage of being there to give these speeches at one time so that I didn't have to make two trips. It is nothing more complicated than that.

Senator BRADLEY. On those subjects.

Mr. GATES. And I had spoken or would speak on those subjects elsewhere as well.

Senator BRADLEY. But now prospectively you think that it was a mistake to make the speeches and you won't do it again?

Mr. GATES. I think, as I indicated to the Chairman this morning, the DCI has to be very careful to avoid speaking out publicly on issues where there could be even the slightest hint that he is advocating policy.

Senator BRADLEY. And would you apply that to the Deputy as well?

Mr. GATES. Yes, sir.

Senator BRADLEY. All right.

Let me, if I can, turn to another subject that we touched on very briefly in your first time here and that was our exchange in the Committee on the future of the Soviet Union.

Mr. GATES. Yes, sir.

Senator BRADLEY. Since we already went through this in Committee, I hope you don't mind if I read it back to you again?

Mr. GATES. No, sir.

Senator BRADLEY. Basically, I am asking you to go against conventional wisdom and say that there might come a time when the Soviet Union might be open for some kind of change. And what kind of intelligence data, what kind of work should you be doing now to equip policymakers with the information they need if that point ever came. That was my question to you.

And your response to me gets down to, I think, we would be required to verify for them that such a change is in the works, such a change was approaching or possible, and then measure whatever change there may be toward a qualitatively different system.

And then jumping, you say:

Quite frankly, without any hint that such fundamental change is going on, my resources do not permit me the luxury of sort of just idly speculating on what a different kind of Soviet Union might look like.

Mr. GATES. What was the date of that exchange, Senator?

Senator BRADLEY. March 16, 1986, which is an important point. The date of that exchange is March 16, 1986.

The memo that you have submitted today to the record is October 16, 1986.

So my question to you is, what happened in the interim?

Mr. GATES. What happened in the interim? First of all, believe it or not, I actually gave some serious consideration to the questions you had raised. Events in the Soviet Union continued to lead me to believe, as I indicated in the memorandum, that more was going on than we might be seeing. I think that some of the work that the Soviet office had done on growing problems inside the Soviet Union and the process of the reform process, the way the reform process was going, all led me to conclude that we weren't digging hard enough and that we weren't going into some of the sources, such as defectors and emigres and others, that would give use a better feel for what was going on inside the country.

So I think it was a combination of the discussion that we had, events in the Soviet Union, analysis that our own office was doing, and so on.

Senator BRADLEY. So, basically, this memo in which you say, not being creative enough, analyzing in terms of Soviet developments, and so forth, indicated to you that you had a problem within the agency. You tried to keep track of what was going on. The way that you were going about it needed to be changed?

Mr. GATES. In terms of the Soviet Union, yes, sir.

Senator BRADLEY. Now, after you issued this memo, another point in here, you say, I continue to believe that we have not paid enough attention to emigre Soviet economists. And the question is, what did you do then? This is a memo laying out your concerns. What specific things did you do to act upon those concerns so that you would be better able to track what was going on in the Soviet Union, in particular the dramatic changes?

Mr. GATES. I tended to be pretty careful once I became Deputy Director of Central Intelligence about looking over the shoulder of my successor. I obviously had been a very strong minded Deputy Director for Intelligence. Mr. Kerr had been my Deputy for four years, a very capable man. And I did not want to give him the sense that I was second guessing him or double tracking him, or that I was trying to be DDI and DDCI.

So this kind of a memorandum on my concerns was fairly uncommon. And I thought that by sending him the memo and by sending a copy of it to the National Intelligence Officer for the Soviet Union that, in expressing some specific suggestions for how they might go about working this problem better, that I probably had stepped as far into his province as I should at that time.

So the short answer to your question is I don't recall any specific steps that I took. But, on the other hand, until a few days ago, I didn't even recall the memorandum either. So there may have been some things that I did but I just don't remember.

Senator BRADLEY. Mr. Chairman, I have been told I have one minute remaining. Are we adhering to the one minute?

Chairman BOREN. Could you stay within two or three minutes? Our problem is we have Senator Cranston and we have Senator Hollings yet to question. Some of them cannot be here tomorrow. We will have additional rounds beginning tomorrow.

Senator BRADLEY. Let me get to the point here. This memo shows that you had some concern and there had to be things done differently in the agency that indeed there were rumblings in the Soviet Union that held dramatic implications for this country. We might be spending less on defense, we might have a whole series of new opportunities. And then what did you do based upon what was in this memo?

Your answer is, well, you didn't want to tread on the Deputy, the Deputy's territory. The end of Communism occurred in the Soviet Union in August.

Now the purpose of my question in 1986 to you was, was it so a policymaker would have on his desk the day that happened, if it should ever happen, some well thought out plans on how to deal with that situation? Communism in the Soviet Union ended in August. What did the President have on his desk the next day in

terms of giving him the counsel that four to five years of thoughtful analysis could well have provided him?

Mr. GATES. Senator, while I would have to refresh my memory on the specifics, one of the things that occurred in the wake of this memorandum, and my concerns, was a conference that was held, I think, under the joint sponsorship National Intelligence Council and the Director of Intelligence, I don't remember specifically, but on alternative futures for the Soviet Union. And papers were commissioned, a variety of essays were written on different courses that events might take, and so on. I would have to go back and get the specifics of that. But I do recall that there was such a conference and papers were prepared. And, in other words, there was some followup.

Senator BRADLEY. But my question to you is what was available to the President the day the end of Communism took place in the Soviet Union? Again, the purpose of the questions five years earlier was so that if the event ever took place, the Intelligence Community would have had a chance to think through possible alternatives and have them available for the President.

Mr. GATES. I don't think—well, in addition to the papers that were done about alternative futures under the auspices of the agency, in September of 1989 I asked that an interagency—when I was down at the NSC, I asked that an interagency, small interagency group including intelligence officials be put together to begin looking at contingencies for a variety of dramatically different outcomes in the Soviet Union. That work proceeded over a year-and-a-half period. And a considerable amount of work was done by the agency, but also by State and Defense in connection with that effort.

So I think that while I can't point you to a specific paper that the President said, here are the different ways this thing can go in the Soviet Union, and here is a different kind of Soviet Union you can see, I think that there were some endeavors. Obviously, you can always do better. But several different endeavors to try and have people thinking about what—exactly what you were talking about in March of 1986, what are the different courses that this thing can take, what are some dramatically different outcomes. And I think that people had given a fair amount of thought to that.

Senator BRADLEY. Thank you very much, Mr. Chairman.

I hope if you can elaborate on that overnight for tomorrow I would appreciate it.

Chairman BOREN. Thank you, Senator Bradley.

Let me say that we will have questions by Senator Cranston next and then Senator Hollings. That will take us up to just slightly beyond the six o'clock hour and then we will stand in recess. As I indicated, in the morning we will begin with the questioning by Senator Nunn and then we will go to those Senators who have a second round of questions for Mr. Gates in public hearing. Then we will go into closed hearing to take up additional classified matters at that time.

Senator CRANSTON. Thank you, Mr. Chairman.

Welcome back.

Mr. GATES. Thank you.

Senator CRANSTON. Where the Agency has a significant volume of reporting, both from human and technical sources, I assume it is reasonably easy to reach a consensus on what is happening. I assume it is always harder to reach agreement on what is likely to happen in the future because that is more judgmental and the analysts may be afraid of making predictions when predictions are so chancy.

When you have very little raw data, I presume that arguments tend to be much louder and combative and often ideological. Is that a generally accurate appraisal of what happens?

Mr. GATES. Yes, sir, it is. And most of the ambiguities and most of the areas in which we tend to have less information and knowledge tend to fall into this entire world of political intelligence and political intentions.

Senator CRANSTON. How much reporting from either human or technical sources was actually in hand in the areas being disputed regarding alleged politicization? If there was a large volume of reporting available, which was ignored or subverted, I would be greatly concerned. If, on the other hand, there was very little reporting from the field, then the arguments are over staked out positions and assumptions rather than over what the facts mean or meant.

Specifically, what is your recommendation regarding the amount and quality of so-called raw collection available to the analyst on three issues that we have been exploring, first the 1985 Iran estimate?

Mr. GATES. I think with regard to the views of Iranian politicians and with regard to the initiatives that the Iranians took during the first part of the year to the overtures to the Soviet Union that took place in secret, I think that both our technical and human intelligence was reasonably good. There was a fair amount of evidence, I believe, on both of those issues, and including the issue of Iranian attitudes toward the United States.

Senator CRANSTON. Second, what was available in these terms in regard to the Soviet involvement in the alleged Papal assassination attempt?

Mr. GATES. There was virtually no evidence that I can recall. And I would have to refer back to the analyst. But my impression is that there was very little information available in the first two or three years after the assassination attempt. As the Italian investigation proceeded and various threads were developed back to Agca's relationship to the Turks and his stay in Bulgaria and so on, I think that we began to develop some information.

We then had a, as I recall, a defector that—and this is one of the problems that we had with a lot of their production on this issue. The paper that was published in 1983, that said the Bulgarians weren't involved and by implication neither were the Soviets, was driven very much by the reporting of this one guy.

Then we received some additional reporting over the winter of '84 and '85 that in turn I think played a major role in the conclusions of the paper in April 1985. That was not the only body of information, but it was an important one.

So I would say that we thought that we had reasonably good human intelligence. But I think, in retrospect, we were too driven

by too few sources. And so we kind of went with the last thing that we had heard, in effect. So I would say I would characterize the information that we had as based on a very small number of sources. And in fact, as to the evidence of direct Soviet involvement, my recollection was that other than these one or two sources, and some sub-sources, there was very little.

Senator CRANSTON. Thirdly, what was the quality and quantity of so-called raw material available in regard to the Arab-Israeli conflict that was the subject of Ms. Glaudemans's concerns and paper, which she told us that you killed?

Mr. GATES. I am not sure that I am familiar with that paper, Senator. I would have to go back and check.

Senator CRANSTON. Well, in regard to the Arab-Israeli conflict at that time, which I'm really asking you about, how much was known about that at that time?

Mr. GATES. I think that we had, again, we had a great deal of information on Arabic military capabilities and the weapons systems they had and forces and so on.

I think again, as I indicated at the outset, we were not as strong as we could have been or should have been in terms of political intelligence, in terms of their intentions.

Senator CRANSTON. It seems clear that some of these battles that we on this Committee and the American people have been hearing so much about these days are over ideological views when they should be based on solid reporting from the field if that is available. And it obviously was not fully available in a good many cases.

In the absence of such reporting, shouldn't the policymakers be told that you in the Agency really can't answer the questions because you don't have enough information to provide a useful or reliable answer? If you feel you can't give a solid answer, isn't that a wiser course?

Mr. GATES. One of the things that I indicated at the outset of my remarks this morning was my belief, and it is a belief that I spoke about widely and frequently, as DDI and then as DDCI, was the need for alternative views, particularly when you didn't have good evidence so that you could array the possibilities for the policymaker.

And the other was the need to be more honest with the policymaker in terms of our confidence in our sources and our confidence in our judgments. I would have to acknowledge to you, sir, that particularly in the case of the Papal paper as the Cowey report makes clear, we fell down in not in fully exploring alternative theses. So I think there was no secret, it was far from a secret, that I strongly stressed the need for these alternative judgments and more honesty about our confidence in ourselves and in our sources.

I would have to say that it was often difficult to get either or both of those things.

Senator CRANSTON. It is the case that sometimes judgments are made based on very few facts? And, if so, isn't it pertinent to focus on the need to identify where we need much better collection and language capacity and so forth?

Mr. GATES. Yes, sir. And in fact one of the things that I introduced into national estimates after I became chairman of the National Intelligence Council, was often a section at the back where I

required the NIO to prepare after the estimate was done a list of the gaps in intelligence that we could then use as a focus for the collection effort, both technical and human, that would be guided by those key areas where we lack the information to make solid judgments in writing the estimate that had just been done.

Senator CRANSTON. On a different aspect of all of this, is it true that the Agency teaches analysts to argue their views in special courses and runs a working group on ethics and intelligence analysis to encourage analysts to resist political pressures to alter their views?

Mr. GATES. Yes, sir, I think that is the case.

Senator CRANSTON. I have seen an account that one David Whipple a retired CIA official, Mr. Casey's chief terrorist analyst from 1983 to 1985, recalled attending a meeting which was a congressional briefing. At the briefing Mr. Casey attributed many of the world's bombings and assassinations to the KGB. Mr. Casey then excused himself to go back to work. The Committee would ask Mr. Whipple to stay on, and he would as tactfully as possible try to leave the Committee with the right impression that you can't prove Soviet involvement, although it is likely that the Soviets were not involved.

Mr. Whipple, who is now head of an association of former intelligence officers, said that several times he consulted you for advice on how to deal with that kind of a situation, and you told him, stick to your guns. Do you recall that, or is that an inaccurate account in your memory?

Mr. GATES. I don't remember that specific instance. But I know that there were a number of occasions when we would pull Mr. Casey back some.

Senator CRANSTON. But when people were trying to establish something that they felt was more accurate than the impression that Mr. Casey may have left and they consulted you about what to do because it is a difficult problem, do you recall saying, stick to what you believe, or what is in accord with the general findings of the Agency?

Mr. GATES. Yes, sir.

Senator CRANSTON. Last night I asked each of the witnesses a question based upon the fact that the President has made this call for a significant reduction in our military apparatus, particularly in nuclear weaponry in light of the collapse of the Warsaw Pact and the changes in the Soviet Union and the move toward freedom and democracy in that part of the world, and the diminished threat to us.

Obviously, the American people will welcome any reductions that can be done with safety and that can ease the deficit or make it possible to get funds for neglected domestic purposes like education, the environment, transportation, and so forth.

Do you believe that for the same reasons it may be possible to make some reasonably significant reductions in the CIA budget? Each of the witnesses that I asked that question, all six last night said yes to that question.

Mr. GATES. Let me answer your question in two parts. First, again, I think it is important to start with this view from the policymakers of what they want intelligence to do in the future. And

that may or may not lead to a significant reduction in the number of missions being given to the Intelligence Community.

One of the discussions you and I had in the first hearing a couple of weeks ago was whether the Agency ought—whether there was more the Agency could do to help our intelligence in terms of the environment. So I think that we need to hear from the policymakers what they want intelligence to do, the missions, the priorities that they want us to tackle. And it seems to me that that, then, will set the framework in terms of what the budget ought to be.

The second point is that, in absolute terms, it is obviously possible to cut that budget. It almost certainly in political terms will be necessary. And I think that the key is to do so with a clear idea of what makes sense rather than just a kind of top line number.

One of the risks that I see, Senator Cranston, is the way that we have taken budget cuts in the past. And partly it is an internal management problem. And that is instead of going to the policymakers and saying, because of this cut I'm going to stop doing X, they cut everything across the board by five percent. So you do everything a little less well. And it seems to me that that is—if we're going to talk about real reduction in spending on intelligence—we're going to have to decide what we are going to stop doing. We can't just do everything less well.

Senator CRANSTON. Different subject. As you know, the issue of the collection of conversations between the Sandinista government and Members of Congress and their staffs has come up. Some witnesses have said that you probably knew about this. And last night, Mr. Goodman stated that you did know about this collection and stated that you had mentioned a U.S. Senator's name in this regard.

Did you know about the collection? Did you see transcriptions and reports? Do you recall mentioning any Senator?

Mr. GATES. Senator, could I respond to your question in the closed session tomorrow?

Senator CRANSTON. Of course.

If you became aware of any such matter, what do you think would be the appropriate step to take? Admiral Inman testified that as director of NSA, he faced a similar situation and he took the matter to the leadership of Congress.

Mr. GATES. Yes, sir, I think that is the appropriate step to take.

Senator CRANSTON. Apart from your liaison, are there any CIA agents working on Capitol Hill?

Mr. GATES. No, sir. Well, I haven't been there for three years—so I assume there are none.

Senator CRANSTON. Do you know who leaked the Carter debate book to the Reagan camp in 1980? Press speculation at the time was that it was someone on the NSC staff.

Mr. GATES. No, sir, I was not on the NSC at that time. I left in 1979.

Senator CRANSTON. Have you had discussions about that, ever talked with anybody who thought that they knew who had done it?

Mr. GATES. No, sir.

I take that back. For the sake of accuracy, I'll have to say that I took a call from a newspaper columnist one time who accused me

of doing it. I told him I hadn't, so then he asked me, who do you think did it?

Senator CRANSTON. Mr. Ford suggested in his testimony that regardless of the accuracy or inaccuracy of all of the charges and countercharges we have heard, you would have difficulty in recruiting the best and brightest people because of the controversy surrounding your nomination.

What is your comment on that?

Mr. GATES. Well, sir, while I was there, Deputy Director for Intelligence and Deputy Director of Central Intelligence, I certainly didn't have any difficulty recruiting people. I think that this question ties into the question of morale inside the agency itself and I think that the perception inside and outside is that the agency is doing highly relevant work, it is doing good work and courageous work, and it is being used by the President and by his national security team.

I think that there are a lot of people who are interested in coming to work for the agency, and I would just say I receive three kinds of mail, Senator Cranston, since I was nominated for this job. I have received mail from those who are against my being confirmed, I have received mail of congratulations, and then I have received a third and by far the largest stack of mail, which are small notes of congratulations with resumes attached. So I don't believe that that would be a problem.

Senator CRANSTON. After you withdrew from the former nomination a few years back, what did you do after that withdrawal? What was your assignment after that?

Mr. GATES. I remained as Acting Director until Judge Webster was confirmed in late May 1987. And then Judge Webster asked me to remain as his Deputy. And I remained as Deputy through January 20th, 1989.

Senator CRANSTON. Did you have recruiting responsibilities during that time?

Mr. GATES. Not directly, no, sir. But the Agency had a great deal of success in recruitment at that time. In fact, just to put in a little plug, the agency, I believe, at the time that I left was receiving something like 100,000 to 150,000 inquiries about possible employment every year. By the time that I left, the number was somewhere over 100,000.

Senator CRANSTON. Presuming you were involved to some extent in recruiting at that time, and acknowledging that all of the publicity that you got at the time of that nomination was not favorable, it did not cause any difficulty for you in either the agency or in recruiting, did it? Or did it not?

Mr. GATES. It did not, none that I think anybody could tell.

Senator CRANSTON. Thank you very much.

Mr. GATES. Thank you, Senator.

Chairman BOREN. Thank you, Senator Cranston.

We will conclude today with Senator Hollings and go through his questions. And then, whenever he concludes, we will go into recess until the morning.

Senator Hollings is recognized.

Senator HOLLINGS. Thank you very much, Mr. Chairman.

In reality, I don't have any questions, but it could be that the gentleman would want to comment.

There is no one, Mr. Gates, that I have greater respect for in the United States Senate than my colleague from New Hampshire, Senator Rudman. And he allowed, with one of the witnesses here earlier this week, someone who had worked closely with you, that he should have had the decency to go by and talk to you before he came up and testified against your confirmation.

And that, in the same way, ought to pertain to me. I'm going to take his counsel and state to you publicly what my situation is.

I came to this hearing with a strong feeling of support for you, having seen you operate here before our Committee, watching your record, one of honesty and talent, one of hard work and experience.

But the testimony that has come out in this hearing, which unfortunately could well be called a trial, has persuaded me otherwise. I say trial, and let me get right into that.

For one thing, the counsel for the defense, all of them jump up and down over on the other side talking about direct evidence. I think the witness Ford encapsulated that when in answer to the question, he said, this is not a court of law and the questions of hearsay and evidence are of little difference. I am an intelligence officer and for years people have been coming to me with complaints from the DDI, people whom I respect. I consider those in my calculus of evidence when people have come to me and shown me papers and drafts that they have written within the DDI that they would kill, that to me is evidence.

We trial lawyers know that in a criminal trial, you're not allowed to test a person's character unless it is hearsay. The witness doesn't take the stand and say I think the fellow is honest. The witness is compelled to take the stand as a character witness to see what the reputation is in the community for honesty and integrity. So it is basically hearsay. So I hated to see my colleagues get off on hearsay and opinions. I was somewhat guilty of that myself, coming with enthusiasm for you with witness Polgar.

But then, when I saw them come with a letter before the witness could even testify to refute Mr. Polgar, a letter incidentally from the counsel from the Iran-Contra committee who couldn't find if President Ronald Reagan knew about Iran-Contra, that didn't have any credibility with this Senator, I can tell you that right now.

Otherwise, let me continue and say that it is not a matter of the number of witnesses. I just heard the distinguished Senator from Washington, Senator Gorton, say that just three came forward. We also know that the judge would charge if this were a trial, that you can believe one as compared to a dozen, or you can believe the dozen as compared to one. And it isn't a matter of three coming forward.

What has come out here is that, in essence, Bill Casey ran an opinionated intelligence agency. And you had better conform your intelligence to his opinion or you have trouble. You have trouble particularly with his right arm, you, Mr. Gates, who were operating for him. I don't fault you for that. I feel very strongly about these things. I have never faulted Ollie North. I don't like him lying to the Congress, but as you remember when he went back, his superiors said, Ollie, you done good.

That's the way things have been operating. And we have had to change things around here. And this point about only three witnesses, you listened to them. One was too talkative. Every time you asked him a question, he had not only an answer, but he had three other questions for you. [General laughter.]

Senator HOLLINGS. I wouldn't take him into a court of law for my case.

But in any event, they were meaningful, and they withstood the cross-examination as to what they were talking about. And we, as senators, have met in closed session as to whether we want to take the witnesses on both sides. We have got ready, willing, and waiting four more witnesses for you and four more against you. And we can keep this thing going on all week. We know that.

I find it substantial. I find it, as has been attested to not only in one particular division, the Director of Intelligence side of it, but also the Director of Operations. And I find it unique not that you were just the first one, as you say now, to come from within the Agency, not the way these people are coming forth in what they have proved. To this Senator's mind, we have got a substantial problem of politicization of the Central Intelligence Agency. And that has brought up a problem that I thought you were the man to correct.

I have grave misgivings about our intelligence. And then hear about the various courses we have flunked. We flunked Afghanistan, we flunked Iran, we flunked Angola, we flunked Ethiopia. We flunked Iraq, Kuwait. We have flunked in the fall of the Wall. I can see President Bush and Gorbachev down there bobbing up and down in the waves at Malta. They really were trying to stay on top on what the devil was going on. [General laughter.]

And then, of course, the Soviet Union itself. We just flunked too many courses. And I wasn't going to cross-examine you. I do not believe that because you didn't give us the right advice on the Soviets, therefore I can't confirm you. It is the reason we didn't get the right advice. Casey wouldn't let it come through and you were part of that, at least a substantial number within the Agency feel that. They have convinced this Senator of it.

And with the fall of the Wall, I wanted to get better intelligence. I was never more impressed than when General Schwarzkopf came to us and he gave the same feeling that I had stated in sessions here, as a member of this Committee, that the edges, the sharp edges of facts and intelligence are so rounded and shaved, the intelligence becomes, he used the word, "mush." And so, in actual combat, he could not depend upon the CIA. It was mush. He had to depend upon his own field intelligence as to whether or not to go forward.

Now I wanted you to straighten all of that out and I find out that your experience is just exactly what has disqualified you. You did too good a job for Bill Casey and it was felt very keenly up there. And yes, I don't doubt that you have got the intellect and the brilliance to overcome, but it will take four or five years and we don't have that much time.

I don't think anybody is indispensable. And the very idea of what is needed has been expressed by yourself. You said that you wanted

to get and develop a wholly new environment. And that's what I was looking for.

But recognizing that need and now to present this particular track record that we have heard of, is really part of the problem being put up to solve the problem. And I just don't think that is for the good of the government, particularly the good of the Central Intelligence Agency. And it has strayed. I don't know how it got over to the House now, but you're living in the real world. The Chairman of the House Intelligence Committee is saying that you ought to withdraw, and those kinds of things. So if you are confirmed in the next 10 minutes, you have a big job ahead of you. I look at the answer to your 20 charges, listened to it this morning. That didn't bother me. It was the nine things, the improvements you would make. You could be trying your case for a year or two years out there. And I don't think that that is good. I don't think this trial has been good for the CIA.

We had this started and you withdrew before. You had a chance in the 1980s. In this morning's testimony you said the analysts didn't do the job. You went to them, you told them that they had to work hard and do a better job and everything, but now you blame those analysts. And when a commander blames the troops, he sort of disqualifies himself from command.

That is the opinion of the field. And, yes, let's call it hearsay, let's call it opinion. But that is where a Senator has to make a judgment in voting what is the best for the CIA and what is the best for this government. And I want to express that to you, and I would be glad to yield to you on any comment, anything that you can say to refute what I have said on the one hand or change my mind on the other. I think you are a very valuable individual. I can see why Bush wants you up there. I can tell you right now, if I was Bush and could get you in, I would be in like clover. There isn't any question about that. You know the policy better than he does after two-and-a-half years. There's no doubt about that in this Senator's mind.

You know the actual policy better than he does. And that, in and of itself, would be a temptation for justifying to yourself to try to follow through with the policy.

What I'm trying to say, you are not the right man at this particular time to become the Director of the CIA. I hate to say it, because I think you probably will prevail and we will have to work together and there will be no hard feelings. But a fellow has got to conscientiously vote his mind. And that is mine right now and I would be glad to hear you, sir.

Mr. GATES. Well, Senator, whether I am confirmed or not, there will be no hard feelings here either. But let me just say in response to your comments, I think that the record that has been introduced over the last couple of days of the number of studies, the number of analyses that were provided to the Reagan Administration that conflicted with policy, that created problems for that Administration, that in an underlying way challenged their policies, whether it was Lebanon or chemical weapons in the Soviet Union or Soviet defense spending or a host of other issues, illustrate that we were not doing Bill Casey's bidding and we were not doing the Reagan

Administration's bidding. We were calling them like we thought they were and trying to do it with the bark off.

I think that the record of what the Agency did on the Soviet Union is clearly a mixed one. But I think there are some successes there as well as some of the failures. In terms of calling it, I think they did a heck of a job on Eastern Europe where in 1984 they said there was going to be a crisis in Eastern Europe by 1990, and another estimate in 1987 where they talked about Czechoslovakia and Hungary and so on.

But my basic first point is, I think, that the record shows that we were nobody's toady and nobody's patsy in the 1980s. And the analysts put out a heck of a lot of good analyses and a lot of courageous analyses. I have to admit some of it was dead wrong, there is no doubt about that. And we have to do better than that.

With respect to the feelings out there, I think that there are—your point is a fair one in terms of let's pay attention to feelings instead of perhaps proving a case in a court of law. But I think that there are a lot of feelings on the other side too and a lot of feelings that this nominee—that I could help bring them through what is going to be a difficult period of change because of my relationship with the Congress, my relationship with the President, that I could give them the kind of leadership and kind of support that they would need and the kind of guidance.

I think that there are strong feelings out there and I think that the views of Admiral Inman and John McMahon, people who are very well respected by this Committee, should count for something in terms of both the honesty and integrity of what I did.

I don't think that anybody considers either one of them to have been Bill Casey's enforcement arm, if you will. I was only Casey's deputy for six months. I was Bill Webster's deputy for almost three times that. So I think that there is a strong record there, too, about a view on the other side of the issue in terms of what I can do for the place.

With respect to the Directorate of Operations witnesses, I wish I could say that all of the old concerns about DO compared to the Directorate of Intelligence are gone, but I will tell you, Senator, I heard just the other day one of the rumors going around that Directorate of Operations now is that that guy, if he is confirmed, sure as heck all of the Chiefs of Station are going to come from the Directorate of Intelligence from now on. Well, that is just obviously dead wrong. But there are those kinds of concerns and uncertainty and again I think that it comes from being a career officer.

But I think that those concerns would quickly be allayed to the degree that they exist at all.

I would just conclude by saying that the last people—I don't think that we ought to be in the business of blame. I don't blame the analysts for the assessments that we got wrong. When I signed off on those papers, those assessments—one of the virtues of the review process was if an analyst wrote a paper and just sent it out the door, the analyst is on his own.

But when I sign off on a paper, that was my paper, I thought that that paper deserved to be published and it deserved to go to policymakers and, by God, once I signed off on it I was going to

stand behind the analyst and have the Agency stand behind the product.

Again, sometimes we were dead, flat wrong. But the analyst is the last one that I think should be blamed, because we put the institution behind that stuff.

And so I think that, Senator, for those reasons, that you should reconsider and give some additional thought to it. And if you come out where you are now then, like I said at the beginning, there will be no hard feelings.

Senator HOLLINGS. I appreciate that. On the feeling that you were discussing, one of our big problems is that despite the feeling of the White House over there and the President, things have changed. When you appoint the Secretary of Commerce, he is there as your Secretary to carry out business policy, the Secretary of Agriculture to carry out your farm policy. But when he appoints a director of the CIA, it is not a policy appointment now.

I served on a presidential commission investigating the CIA and I know how that White House crowd feels and I can bring it right up to date how they felt on January 12th. You can look in the Congressional Record.

We have positive evidence in this Committee from the Director of the Central Intelligence Agency, Judge Webster, to the effect that the sanctions and the blockade was working, after the President had been running around all Christmastime saying that he was going to "kick ass" and he wasn't needful of the Congress.

And then on Thursday, before we voted on Saturday, when he finally sent up a request, then we got a letter from the Director of the Central Intelligence Agency that, oh, no, maybe the sanctions weren't going to work.

The Central Intelligence Agency does not belong to the Congress and it does not belong to the President.

It belongs to both.

This Committee and the Congress is looking to you for accurate, responsive, and unfettered, unpoliticized reports on intelligence.

And that crowd over there, Sununu, the President, everyone else, think they own you, and maybe you will have to suffer on account of it, but I am worried about that.

I do not think you are the right man at this particular time, but I am listening.

Mr. GATES. Let me add just one other thing, Senator.

Senator HOLLINGS. Yes, sir.

Mr. GATES. First of all, I think that the President—I do not know—I will just speak for the President because we have talked about this.

When I was up in Kennebunkport with him this summer I talked with him about all the measures that I had laid out in these hearings that I wanted to take, and made sure that he was supportive and prepared to back me up on those.

President Bush would fire me if he thought that I did an estimate or slanted intelligence to support policy.

Now maybe some of the others working for him might not, I will not speak for them, but he would.

He wants it with the bark off.

As a former Director himself, he feels very strongly about it.

And I think that—and I have gone to him on other issues over the past two-and-a-half years and, quite honestly, told him where I thought we were headed down the wrong track.

I think one of the reasons he appointed me to this job was that he knows I am going to tell him exactly what I think and exactly what CIA thinks and not shade it.

I will just add one other little factor.

At the end of August I became qualified to retire, believe it or not.

So it gives me no heartburn to contemplate a future in which I lay my job on the line—I believe I would have done so before August 29th—but the fact is, I have no problem with the concept and idea of laying my job on the line to say this is the way it is.

And if you don't like it, that's tough.

You may go ahead anyway, but by golly we're going to tell you exactly what we think.

I believe that to the bottom of my soul.

Senator HOLLINGS. Mr. Gates, President Bush did not fire Judge Webster.

And there is no education in the second kick of a mule. [General laughter.]

Mr. GATES. Senator, I think that there is some confusion about what happened with Director Webster.

Director Webster testified before the House Armed Services Committee in early December 1990.

In that, he laid out his—the Agency's views on whether the sanctions were working or not.

And what he basically said in that was that the sanctions were having an effect on the Iraqi economy and would have an effect on the Iraqi military, but it would begin to have an effect first on the Iraqi air defense and air force, and that would only begin about three months or four months from that time.

That was a part of the Iraqi forces that our military had basically dismissed, anyway.

Where it would take the longest to have any effect would be on the Iraqi ground forces, and that would take six months to a year to begin to have any real impact on their ground forces.

Now The New York Times, with all due respect, reported Judge Webster's testimony very inaccurately.

And, unfortunately, I think a lot of people relied on The New York Times' account of it rather than on what the Director had actually said.

It was under those circumstances that Chairman Aspin asked Director Webster in writing to respond to several questions in order to clarify the record.

So I think I have to speak up on behalf of Director Webster.

I don't think he slanted the intelligence, and I don't think he caved in to Administration pressure.

I think that he gave the honest assessment that the Agency analysts provided to him.

It just, unfortunately, led to circumstances that got confused.

Senator HOLLINGS. Thank you.

Chairman BOREN. Senator Nunn, I think, has some additional clarifications he wants to make at this time.

Senator NUNN. I will take just a moment.

Mr. Gates, on that last question I do not think that any of us want to open back up that debate again, but the air defenses and air force had not been discounted by the military.

In fact, they were at the top of the target list.

The first thing they wanted to do was go after the air defenses and air force.

They went after that before they attached the ground forces.

Mr. GATES. I did not mean to discount them, Senator.

I just meant that they did not believe that would be the most formidable part of the Iraqi military that they would face.

Senator NUNN. Well, I think you pretty well summarized what the letter said. But the same time Director Webster was saying that, which was before the War, our target planners were saying that air defense was our top priority because they could not operate and go after the ground units and other things until they eliminated Iraqi air defenses.

That is why that letter was so misleading.

But I went into that in considerable detail, and I think Senator Hollings did, also, back at that time and there is no need in going over that again.

And I do not fault you—

Mr. GATES. And I do not disagree with your characterization, either.

Senator NUNN. Let me just make an additional comment. This is not a question to Mr. Gates: I will have some questions tomorrow morning.

Senator Rudman had a dialogue I believe today when I was not here, but I heard part of it and I think it referred, Senator Rudman, to some of the things I asked Dr. Ford last night about whether he had gotten any other information.

The thrust of my question was whether he had gotten any other information from any of those people who had been calling him.

You were correct.

He said he had not, that they were simply telling him "right on," or "we agree with you," or something of that nature.

But I do think, in putting his testimony in perspective, his testimony was that he had changed his view and had testified against the nominee based on not people who had called him after he testified, but rather the four decades of experience, the documentary evidence he examined that had been supplied after he prepared his initial testimony, and including examination of some of the earlier Gates testimony, as well as the letters and testimony to the Foreign Relations Committee in January 1987.

So I think all of that, in fairness to Dr. Ford, was what he had said he was basing his testimony on.

What I was asking him about was whether he had received any other information that would be in the way of new evidence in this overall question of politicization that we had not heard.

So I wanted to put it in that perspective.

Senator RUDMAN. I thank Senator Nunn.

In fact, one of the staff mentioned that to me. I have looked at the record from the closed session. I have notes of the other session

and that may be what he meant. But that is not what the record discloses.

I am happy to have the Senator from Georgia clear it up.

Senator NUNN. Well, I think that is what he said in open session.

I do not really recall what he said in closed session. But I think in open session he did allude to about four or five different areas where he gained the knowledge that, according to him, changed his mind.

Mr. Chairman, I know it has been a long day and I will not take anymore time.

Chairman BOREN. Do any other Members have any final comments that they would like to make today?

[No response.]

Chairman BOREN. Well again, Mr. Gates, thank you for being with us today.

We will resume in the morning at 9:30, and we will stand in recess until that time.

[Whereupon, at 6:26 p.m., the Committee was recessed, to reconvene at 9:30 a.m., Friday, October 4, 1991.]

NOMINATION OF ROBERT M. GATES TO BE DIRECTOR OF CENTRAL INTELLIGENCE

FRIDAY, OCTOBER 4, 1991

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Select Committee met, pursuant to notice, at 9:35 a.m., in room SH-216, Hart Senate Office Building, the Honorable David L. Boren (Chairman of the Committee) presiding.

Present: Senators Boren, Nunn, Bradley, Cranston, DeConcini, Metzenbaum, Warner, D'Amato, Rudman, Gorton and Chafee.

Also Attending: Senator Cohen.

Also Present: George Tenet, Staff Director; John Moseman, Minority Staff Director; Britt Snider, Chief Counsel; and Kathleen McGhee, Chief Clerk.

Chairman BOREN. Good morning. Could we come back to order?

Could I have the attention of Members? I reflected last night for some time after hearing the comments addressed to the nominee by Senator Hollings, and I decided that in some ways my failure to make certain statements might not have been fully fair to this nominee. So I'm going to make some statements to the nominee myself this morning and particularly share these comments with my fellow Members of the Committee.

From the very beginning of these proceedings I have been absolutely determined that they would be as thorough as they could be. I think, as everyone has reported, they have been the most thorough confirmation proceedings for any nominee to be Director of Central Intelligence in the history of this country. That has been good for the country. As news report after news report has pointed out, we have shared more information with the American people about the operations of the Central Intelligence Agency and the Intelligence Community that has ever been done at any other time in memory.

I also said in the beginning I wanted these hearings to be fair. That is why we have gone out of our way to invite, at our own initiative, witnesses with varying perspectives about the nominee and to release every document that we could find that was relevant, documents that were both favorable to the nominee and critical of the nominee.

I appreciate the fact that Members of the Committee on both sides of the aisle have come to me and have given me encouragement throughout the process. Senator Metzenbaum, Senator Bradley, Senator Rudman and others, representing an adequate spec-

trum of opinion on this issue, have expressed their support personally to me in terms of the way in which I have tried to be fair to all sides to make sure that everyone had a chance to ask any question they felt was relevant. I have viewed that as my primary responsibility.

But after hearing Senator Hollings last night, I felt that in a way I had not been fully fair to the nominee because I had not shared in open session some of my own insights into actions by this nominee that I think should be considered by this Committee.

They are not determinative, I would say to you, Mr. Gates. As I sit here this morning I have not fully determined, in my own mind, how I will vote on this nomination. There are many factors to be considered. There are still some ambiguities in the testimony, some of which I raised yesterday in some very pointed questioning to you.

I want to have the opportunity to sit down and take the twenty major points which you made yesterday and compare them with the record and determine in my own mind whether your presentation of them fits the record. I want to weigh the benefits of your experience that you would bring to this job against the disadvantages that that same experience also presents. There are two sides to the argument. There are those that say experience is critical for the next Director to make the changes that need to be made. There's another point of view presented by some of our witnesses. And even though some of it was not based upon direct experience with you, it is an important perspective that perhaps says that we need someone who could make a fresh start to make all the changes in the Agency. So there are many, many factors that have to be weighed before I make a final decision myself.

But there is one other factor. Perhaps I am in some ways the best witness on this element that should be before the Members of the Committee. It is not determinative of how someone should vote or how I will vote. But it is evidence, in a sense, or experience that should be weighed in the balance with the other factors as we make a decision.

I've now served longer than any other Member of Congress has ever been privileged to serve as Chairman of an Intelligence Oversight Committee in either the House or the Senate. I'm going into my fifth year as Chairman of this Committee.

I came into the Chairmanship of this Committee with little background or experience. I had been a Member of this Committee for only two years. Two days after I learned from the election returns that I would become Chairman of this Committee, the Iran-Contra affair broke. It was a very turbulent period of time. The intelligence oversight process itself was in disarray.

In addition to serving as Chairman of this Committee, I was asked to sit with others from this Committee as Members of the Special Iran-Contra Committee to investigate the wrongdoing that occurred during those years.

Sitting there listening to the expressions of distrust, witnesses from the Executive branch and the Legislative branch talk about how people within our own government had lied to each other, how people not elected by the people were making policy decisions reserved by the Constitution to the President, the Members of Con-

gress and other people under our Constitutional system of government, made a great impression upon me.

To view the cynicism that these kinds of actions and this kind of breach of trust caused with the American people has left a lasting memory with me.

I was determined that it couldn't happen again. And especially I was determined while Chairman of this Intelligence Committee, we should do all possible to make it unlikely that these kind of events could happen again.

For the past five years I have made it the focus of my own personal legislative agenda and my own work as Chairman of this Committee to strengthen the Congressional oversight process over intelligence. I became convinced that if we had true, credible, effective, efficient oversight, that could probably do as much anything to prevent that kind of thing from happening in the future. It wasn't fool proof. The fact that you have laws against bank robbery, you have hidden cameras and you have bank guards doesn't prevent bank robbery, but it certainly reduces the likelihood that it will happen.

So we've tried to change the oversight process and make it efficient, make it effective and make it tough. And let people in the Agency know that someone was watching and watching more effectively than had been the case before.

The other thing I was determined we should try to do is build some relationship of trust between the Executive and Legislative branches so that we wouldn't have to sit here as Members of this Committee and try to figure out the right question to ask in exactly the right way to get the information that the elected representatives of the people deserve to have. That had been the atmosphere before, and quite frankly, that was the atmosphere during the Casey tenure. I think that was his personal attitude because he came from a culture in the Intelligence Community that existed before oversight was ever heard of or thought about.

We wanted to change it and build that trust. Along with the Senator from Maine, who is sitting in on these proceedings today and served as Vice Chairman of this Committee for four years, we began in earnest that process. I dedicated myself to it, he did as well, and other Members of this Committee, some of whom are here this morning and were serving on the Committee at that time, did the same thing. Senator Murkowski has continued that process.

On one subject, I am perhaps the best witness. I believe I can help give a full record to Members of this Committee. I am going to say one or two things this morning for the record. Not in advocacy of this nomination because, as I have said, this is only one factor among many that we must weigh. It alone will not determine my decision, I can assure you, as an individual Senator. But I think it merits being weighed.

We've had to fight hard to get these changes in the oversight process. When we determined to set up a process of quarterly review of all covert actions in force and to divide our staff to make them specialists in tracking various covert actions which has never been done before on a daily or weekly basis, there were those in the Intelligence Community who resisted that. There were those

who held back from a candid briefing of our staff to prepare us for our quarterly reviews in terms of the information we needed.

I can only go on my personal experience, but perhaps I know this better than anyone else. I know what the response was when I picked up the telephone on behalf of this Committee and called the Central Intelligence Agency to the then Acting Director and to the then later Deputy Director under Judge Webster, Mr. Gates. I know what the response was and I will tell the Members of this Committee there was no single person in the Intelligence Community, without exception, that supported the efforts of this Committee to get access to information and to have truthful reporting to this Committee than the nominee who is before us this morning, Mr. Gates. Every time we had a problem of not having people give us information or talk straight to us as we were trying to have our quarterly reviews of covert action, he responded.

We then struggled to set up an independent audit unit for the first time. Since the General Accounting Office units cannot go out and audit secret programs, this Committee and the Committee in the House for years had been dependent upon the CIA itself to tell us how they were spending their money and how they were operating their secret bank accounts. When we learned about those numbered accounts, and the money of the Sultan of Brunei and all the other things we learned in the course of the Iran-Contra proceedings, we decided that is enough. How can an Oversight Committee be dependent upon the Executive branch to tell them how the money was being spent and what was in the secret bank accounts? So we set up an independent audit unit. The Members of this Committee will remember it. At first it was resisted, I can tell you, by the old hands in the Intelligence Community who thought it was very dangerous that for the first time the Legislative branch was going to have the ability to swoop in and look at accounts and look at secret programs. There was a fierce internal debate about whether or not there should be cooperation. This was during the period of time that Judge Webster was first becoming the Director, new to the Intelligence Community although he had been at the FBI.

I can tell you from my personal experience that the person who was most forceful in all of the Intelligence Community and in the Executive branch in advocating full cooperation and full access for the new audit unit of this Committee to any information we ever wanted was the nominee, Mr. Gates.

As Members of this Committee know and as we cannot say in public session, there were two or three instances in which our audit unit uncovered things that absolutely should not have been going on. They were not consistent with American values. They were not consistent with the honest expenditure of taxpayers money. I am sure that Members of this Committee will remember at least two programs very specifically this Committee stopped. We cut off the money, we stopped them, we halted them on the basis of what we learned from our audit unit. It has proved to be an important reform.

And then we got into negotiations with the Executive branch about whether or not there should be a statutory independent Inspector General, confirmed by this Committee, and answerable to it

with an obligation to report any differences of opinion in terms of the conduct of investigations that they might have with the Director of Central Intelligence so it couldn't be swept under the rug. They had to report any difference of opinion to us within a certain number of days. I won't ask the nominee, because it wouldn't be appropriate as a member of the Executive branch, for him to comment about internal debates within the White House. There was a fierce debate. And some of the people that have been mentioned in the course of these proceedings, some that Senator Hollings mentioned last night, were on the side of, quote, "Executive Prerogative," as a matter of philosophy of law and urged the President to veto that legislation.

Senator Cohen knows from earlier experience and Senator Murkowski knows from the most recent experiences in terms of very tough negotiating and strong fights behind closed doors, that as Chairman and Vice Chairman of this Committee we have been forced to uphold Congressional prerogative. We know who made the forceful in-house arguments, taking on some of the President's advisors to argue on behalf of the independent statutory Inspector General for the CIA. I want the Members of this Committee to know who it was because I had those conversations. I was in the room when some of those debates occurred with some of the other advisors of the President. It was this nominee, Mr. Gates, who most forcefully argued and used his influence to urge the President of the United States to approve and not to veto the independent statutory Inspector General.

For almost six years now, we have negotiated with the Executive branch for major reforms in the oversight process in the Finding process for covert actions, first with the Reagan Administration and then with the Bush Administration. And, as you know, it took two enactments, one of them vetoed by the President, to get the lessons learned from the Iran-Contra matter written into the law so we could never again have retroactive Findings, verbal Findings and some of the things that we found wrong with the process during the Iran-Contra years. I know, I think better than anyone save the combined memory of Senator Cohen and Senator Murkowski, because I'm the one that was asked by our Committee to go and fight this out with the Administration. They weren't easy fights. I know again who was the most forceful advocate for this Committee and for the oversight process, trying to explain, even to the President of the United States who was DCI before the oversight process was in place, why it's important and why it is appropriate, is this nominee, Mr. Gates.

I welcome Members of the Committee to talk with Judge Webster about the briefings, given to the Chairman and Vice Chairman which usually occur on a weekly or biweekly basis, of sensitive information, some of it even compartmented information, nearly all of which we have over a period of time been able to share with the Committee in full. Ask him how many times he started a conversation with me, saying I wasn't sure whether we should come down here and tell you this or not, and maybe we're not obligated to tell you, but my deputy, Mr. Gates, said I ought to come tell you this is what's going on. Ask Judge Webster. This happened scores of times

and these were things that I guarantee you we would have never even had hints about when Mr. Casey was in charge.

So I just put that into the record. I want my colleagues to know that. Listening to Senator Hollings last night, I realize that he was thinking about this nomination without the benefit of what I know.

Now I don't know what happened from 1982 to 1986. I'm going to have to make my judgments about that based upon the record. I wasn't acquainted with Mr. Gates. If I ever saw him as a witness before our Committee, I apologize to the nominee, but your appearance did not register with me. So my acquaintance with this nominee is on a professional basis of the regular meetings that we had set up with the Vice Chairman and the Chairman of this Committee after he became the acting DCI and especially during the period of time of his being deputy for Judge Webster which, as he's pointed out, was three times as long as he was deputy for Mr. Casey. This continued even after he went to the National Security Council in the sense that we've continued to have to litigate some of these issues with the Executive branch and have run up against the arguments of Executive prerogative. Frankly, we have turned at times to the only strong advocate we knew we had for the oversight process, to talk the President out of vetoing legislation or to try to get cooperation for things that this Committee wanted done.

So I do not mean to say that's the sole factor on which we should judge this nominee. There are many, many factors which we have to consider to judge this nominee. Mr. Gates, as I said in the beginning, I haven't made a decision about how I'm going to vote on your nomination. You were very specific in what you said yesterday. I'm going to go back and carefully look at the record. I'm going to reach my own judgments about whether or not you were right or wrong in your twenty points.

I'm going to make some judgments about what you have learned and what you have done since you made some of the mistakes you yourself have acknowledged: of not being aggressive enough about questioning your superiors when Mr. Allen came to you; too trusting of your superiors; perhaps rushing to make speeches that you shouldn't have made without really thinking about whether or not an ideological position might have an indirect effect upon people that were working under you, even if you weren't directly pressuring them. We have to weigh where you are now compared to where you were then. We have to decide in our own minds whether we believe you've come far enough in the process to merit our confirmation at this point in time.

I'll just say to my colleagues, I felt I wouldn't be fair to you unless I shared my experience with you since, in a sense, I am the best witness on this particular point in terms of Mr. Gates' commitment to the Congressional oversight process which I think is an important matter and one which certainly should be weighed among others. I don't care who the next Director of Central Intelligence is but I want someone there who is not only not hostile to the oversight process but who believes in the oversight process and understands what it is at the core of effective checks by the people themselves on what the most secret agencies of government are doing. It's not that this Committee wants power to know what's going on in the CIA, it's that the people, through their elected representa-

tives, have the right to know how their tax dollars are being spent at the Central Intelligence Agency. That's why oversight is important.

I don't think it would be fair to the nominee to close the public record without putting in this personal knowledge this morning.

Senator NUNN is on a tight schedule, so I'm going to turn now to him for the first round of questioning.

Senator WARNER. Could I add, Mr. Chairman, on this side we find your statement to be reflective of the fair leadership and objective leadership that you have given this Committee throughout your tenure. And it sets I think, again a fair and objective tenor to the beginning of this, what I hope will be the last day of hearings.

Chairman BOREN. Senator Nunn.

Senator NUNN. Thank you, Mr. Chairman. I, too, want to say that you have done a superb job. I think the leadership of you and Senator Cohen followed by Senator Murkowski has been excellent and I think the oversight has improved tremendously. So your words are certainly something that all of us will weigh very carefully.

Mr. Chairman, I have a conference starting at 10:15 and I am supposed to have a preliminary meeting before then, so I am not going to be able to use my time. I don't know whether it would be better to go ahead and begin or—

Chairman BOREN. Why don't you begin if there are any questions you want to ask.

Senator NUNN. Well I have a flow of questions, it is awfully hard now to do that. But—

Chairman BOREN. Do you want to begin and come back?

Senator NUNN. Well I am supposed to be at a meeting right now, that is my problem. I thought we were going to get started at 9:30 and I was going to complete my questions by 10:00. I'll ask a couple of questions, but I guess I'm going to have to come back. What is the Chairman's intention about how long?

Chairman BOREN. Let me ask, Senator Bradley has additional questions for probably how long?

Senator BRADLEY. Well, it depends on the answers.

Chairman BOREN. Well can you give us just a rough estimate.

Senator BRADLEY. Not more than 20 minutes.

Chairman BOREN. Alright. Senator DeConcini? About another 20 minutes. Senator Metzenbaum? Any additional questions Senator Metzenbaum? So 40 minutes maybe.

Senator WARNER. I don't know of any on this side.

Senator RUDMAN. If I have any at all, Mr. Chairman, they would be no more than 5 minutes.

Chairman BOREN. I have probably 10 or 15 minutes of additional questions, so maybe an hour or more.

Senator DECONCINI. Mr. Chairman, are we going to have a closed session then with Mr. Gates?

Chairman BOREN. Yes, we will. So I would say an hour or more.

Senator NUNN. My problem is, Senator Bradley said depending on the answers and I've got a conference and there is no telling whether it is going to last 15 minutes or 3 hours.

Senator BRADLEY. Well, I have flexibility. I would be glad to accommodate you.

Senator Nunn. I will go ahead and get started for about 3 or 4 or 5 minutes here and see where we go——

Chairman BOREN. And come back when you can.

Senator NUNN. I will have to ask the Chairman to hold it open, because I really want to——

Chairman BOREN. I will certainly hold it open.

We will be continuing in closed session, so if the Senator wants to go ahead and address those questions, I am sure we will still be in closed session through much of the afternoon.

Senator NUNN. Okay.

Mr. Gates, just to refresh my recollection, would you give us what you have been doing from 1980 to 1992, just your job positions, because I get confused about the various periods of time, and I think some of the questions are posed as if you have run the whole Agency for the last 12 years. I know you were in different positions. So before I get started with my questions, how about just refreshing my recollection on that?

TESTIMONY OF ROBERT GATES, NOMINEE TO BE DIRECTOR OF CENTRAL INTELLIGENCE—Resumed

Mr. GATES. From January 1980 until October 1980 I was Executive Assistant to Admiral Turner, the Director.

In October 1980, I became the National Intelligence Officer for the Soviet Union and remained in that job I think until March of 1981.

I then became Chief of the Executive Staff for Mr. Casey and Admiral Inman, and ended up doing several jobs at the same time during the remainder of 1981. I also re-took my job as NIO for the Soviet Union, and headed a Policy Planning Staff at the same time. So there were 3 or 4 jobs at the same time.

In January 1982, I became Deputy Director for Intelligence.

In September 1983, I became Chairman of the National Intelligence Council, coincident with remaining as DDI, Deputy Director for Intelligence.

I held those two positions until I was confirmed as Deputy Director of Central Intelligence I think on April 16 or 18th, 1986. Then became——

Senator NUNN. December of 1986?

Mr. GATES. April——

Senator NUNN. April.

Mr. GATES. From 1986.

Remained as DDCI until I became Acting Director on the 15th of December 1986 when Mr. Casey fell ill.

Remained Acting Director until the end of May 1987.

Then remained as Deputy Director under Director Webster until January 1989. Actually I didn't go off the Agency rolls until I think April.

And then became Deputy National Security Advisor, which is the position I currently hold.

Senator NUNN. In your speech of January 7th, 1982, and at that stage you had just become DDI, is that right?

Mr. GATES. Yes.

Senator NUNN. You stated to the analysts and to the managers who were gathered on that date, quoting you, "While our list of successes is impressive, the list of our shortcomings, the events where we fell short, is in some ways even more impressive. We failed adequately to predict the scope of Soviet strategic deployments during the late 1960s and early 1970s. We failed to anticipate technological breakthroughs such as those that led to the deployment of the ALPHA class submarine. We missed the revolution in Iran. We failed to predict the Soviet invasion of Afghanistan until they actually began their military preparations. We failed over a number of years to identify for policymakers the magnitude of Soviet efforts to acquire Western technology and the nature of those efforts. We failed to anticipate the Egyptian decision to launch a war against Israel in 1973. We significantly misjudged the percentage of Soviet GNP allocated to defense. We have repeatedly misread Cuba. We ignored Soviet interest in terrorism. We have been far behind events in devoting resources to examining instability and insurgency, and that is not an exhaustive list."

Mr. Gates, that sweeps from late-1960s all the way up to early 1980s with an astounding number of what you perceived to be, and told your community were, intelligence failures.

Could you tell us what your view is on intelligence failures, shortcomings of the 1980s up to the present time, and also any notable successes, if you could just sort of do that in list form as you did here?

Mr. GATES. I think that among the failures would be most recently the failure to anticipate Saddam Hussein's invasion of Kuwait. It would be the Soviet recognition that they could no longer sustain the level of defense spending that they had with the economic troubles that they had. I think that we did not anticipate—I am stretching here—I think we did not anticipate the Israeli incursion into Lebanon in 1982.

I think some of our successes, I think that the record on Eastern Europe is good. There was an estimate done in 1984 that anticipated—that predicted major crisis in Eastern Europe by 1990. A 1987 Estimate that predicted that Czechoslovakia and Hungary would be in crisis within 2 or 3 years. I think we did a pretty good job of tracking Gorbachev's reform measures and the problems in those reform measures. We did a better job than I remembered yesterday—I was doing to deal with this with Senator Bradley—in looking at some of the alternative futures for the Soviet Union in the event of major problems. I think they did a good job of predicting a crisis this year in the Soviet Union. There is a very good memo from April.

I think another success—there are some shortcomings clearly in performance on the Iraq war—but I think that there was a very good success in the respect that they had a—the Intelligence Community had a good fix on the technological capabilities of Iraqi weapons. I think intelligence did a remarkable job in tracking the effectiveness of the sanctions and providing a basis for some 800 diplomatic demarches.

So just off the top of my head, those are some successes and failures that I can think of.

Senator NUNN. When you look at the central failures and you look back, if you take your list as being accurate, and I haven't done that kind of historical analysis, up to the time of 1981-82 and then you look at the criticisms of intelligence Senator Moynihan and many others have had during the period of the 1980s, on balance are we well served by separate intelligence agency?

Mr. GATES. Yes sir. I think that the nation is, and I would give you two reasons. The first is for the very reason that the Agency was created. There still is a need to bring together in one place, under statutory authority, all of the information available to all of the elements of the government. And that remains a problem. If the DCI did not have the kind of statutory authority he does at CIA, being able to bring together all of the information the Navy has, and special programs and the Air Force and everybody else, there would be no one place in the government where that could be brought together.

The second is, I still think that the nation is well served by having a civilian intelligence agency that puts together its view of what the Soviet threat is as opposed to having the Department of Defense do that, and a civilian agency that can evaluate the effectiveness of diplomatic demarches rather than having the State Department do that. I think that having an independent voice, acknowledging that it's not perfect, remains an important element in serving our policymakers.

Senator NUNN. It seems to me after listening to this testimony and observing over the years that what we've got in the way of trying to produce a common intelligence view, even with footnotes—and I know you have footnotes with certain other views at certain times—but the struggle to produce a common intelligence view with the kind of strong-willed, strong-minded people we have, often brilliant people, doing analytical work, the managers who have their own feelings and their own analysis and so forth, it seems that the kind of conflict we have seen that was very prevalent in the 1980's and maybe before then to some extent is almost automatic.

Why is it necessary to come up with a common intelligence view? Why not have a predominant view and a second view if it concerns a major issue and there is a second view? Why squeeze everybody into one tube in terms of a view? Wouldn't we be better served to fundamentally change the approach and give people every right to dissent, encourage dissent, encourage a second view, or even a third view? Give the policymakers those three views and say which one is predominant and why?

It seems to me that we have got a built in kind of conflict that is just going to explode periodically, no matter who the personalities are.

Mr. GATES. Senator Nunn, I couldn't agree with you more. One of the efforts I commissioned in the 1980's was an examination historically by the Senior Review Panel of every major intelligence failure going back to the 1950's. And the one common thread they all had was that it was a single outcome forecast. Everybody squeezed the same view into that narrow tube that you described. We haven't had a chance here to get much into depth on some of the other notions that I have in terms of where I think change is in

order if I were to be confirmed. But the first thing on the list beyond the ones that I described in my opening statement would be to look at the estimative process, because it takes too long to put them together, too many policymakers regard what they get as oatmeal, and the opportunity to sharpen the issues and to expose them to the conflict that always exists in the Intelligence Community on these important issues I think has been missed. And I think that we need a fundamental look at the way these estimates are done and maybe even some structural change in the way they are done and frankly, that is fairly high on my list for the very reasons that you have described.

Senator NUNN. Well, I certainly would be interested in seeing that pursued. I just believe that what we have here—maybe this is not the right analogy, but what we have here seems to be the way the Joint Chiefs operated for years and years, although in your community you have got a lot more than four people involved. You've got many different people. But the Joint Chiefs, for years, until we basically had the change—the Congressionally directed change—operated on the common denominator principle. They felt like they had to get together, whatever their different views were, and present one view to the President. And the result of that was months and months of delay, the lack of being able to get a view for timely consideration by the President and other policymakers, including those on Capitol Hill, and a watered-down kind of common-denominator approach that really didn't help policymakers very much.

That's fundamentally changed now, with one person being the principle spokesman, with every member of the Joint Chiefs being able to give a view. I hope they assert themselves and will do that, because they have that right under the law. We do not try to seek an absolute consensus. So I hope you will take a look at that.

Let me ask a question about some of the details here, without getting into what you did, because that's something I hope the staff will be able to analyze. We have all sorts of conflicts on the issue of Iran, including assessments of Iran and of what the Soviet Union may or may not have been designing toward Iran in the '84, '85, '86 time frame, what Iranian terrorist activity was, all of which was very much a part of the arms sale initiative by President Reagan and the Administration.

Without getting into your activities—and this is not directed to your personal conduct—do you believe that President Reagan was misled by intelligence in 1985 and 1986 on the assessment of what was occurring in Iran and on the assessment of desirability of U.S. arms sales?

Mr. GATES. I do not believe he was misled by CIA intelligence, Senator Nunn. I think that information was provided—my personal opinion is that information was provided through a channel of another country to which the White House paid more attention than it did to American intelligence during that period.

Senator NUNN. So you don't believe there was even inadvertent misleading of the President by the CIA or by the Intelligence Community?

Mr. GATES. Well we could have—we clearly erred in the May 1985 assessment in saying that the Soviets—in our characterization

of the degree of instability in Iran. But I guess what I'm trying to say is if he was misled, it was because we were in error, not because we were trying to mislead.

Senator NUNN. The Congressional Report on Iran/Contra says the following, and I think several of us were members of that group that found this—I don't know of any dissent on this Finding, maybe someone else would know, but I don't recall any—quote, "The democratic processes are subverted when intelligence is manipulated to affect decisions by elected officials and the public. This danger is magnified when a Director of Central Intelligence like Casey becomes a single minded advocate of policy. Although Deputy Director of Central Intelligence John McMahon testified that no such intelligence manipulation took place, there is evidence that Director Casey misrepresented or selectively used available intelligence to support the policy he was promoting, particularly in Central America. Misrepresentation of intelligence also occurred in the Iran initiative," end quote. Do you agree or disagree with that finding?

Mr. GATES. Mr. Casey would often have his own view that he would express at NSC meetings. Sometimes he would share that before he went down there and sometimes he wouldn't. So the idea that he would give his own view at that table I think is probably correct.

Where we had an opportunity to review what he was going to say, there were often changes made in an effort to ensure that the testimony reflected what the analysts believed. I don't really know the degree to which he then followed that script. But I know that—

Senator NUNN. In other words, when he was on his own you don't know what happened?

Mr. GATES. That's right, sir. I know that Secretary Shultz strongly believed that Casey's representation of his own views distorted some of the information that was available.

Senator NUNN. Do you believe that that Congressional Finding, based on what you know, your personal view, was accurate or inaccurate in general? Do you believe that misrepresentation of intelligence occurred in the Iranian initiative?

Mr. GATES. Well again, I think that the record of the published intelligence reflects no intentional misleading. I just am not certain what Mr. Casey may have said in private to President Reagan or some of the other senior people in the Administration.

Senator NUNN. Well let me just read you a couple of quotes from Secretary Shultz in his Iran/Contra testimony, page 26. Secretary Shultz said: "There were two things that I objected to. One was the intelligence analysis that was stated in it," this is NSDD. I'll back up. This is the question by Mr. Belnick, "Your comments on that draft, NSDD appear at tab 7, June 19, 1985 and in those comments you objected certainly to that portion of the proposed NSDD that dealt with loosening the restriction on arms sales to Iran and you recommended the President not sign the NSDD as drafted. As I take it, as far as you know, that NSDD was not signed by the President? Am I correct?" "That is correct," Secretary Shultz said.

Shultz goes on to say there were two things that I objected to and I'm quoting him, "one was the intelligence analysis that was

stated in it because I thought that they were not reading the Iran situation right and the other was the suggestion that basically flowed from the intelligence estimate that it was desirable to change our policy on arms sales. So the two things were connected," end quote.

Now let me read another Shultz quote. Secretary Shultz—this is the same questioning by Mr. Belnick: "I developed a very clear opinion that the President was not being given accurate information. I was very alarmed about it, it became the preoccupying thing that I was working on through this period. And I felt it was tremendously important for the President to get accurate information so he could see and make a judgment." He goes on to say, "His judgment is excellent when he is given the right information and he was not being given the right information. And I felt that as this went on that the people who were giving him that information were, in a sense, had I think—I had even used the word with some of my advisors, they had a conflict of interest with the President and they were trying to use his undoubted skills as a communicator to have to give a speech and give a press conference and say those things and in doing so he would bail them out. At least that's the way it was. I don't want to try to attribute motives to other people, although I realize I have but that's the way it shaped up to me. So I was in a battle to try to get what I saw as the facts to the President and see that he understood them."

He went on to say, on page 41, Mr. Belnick says, "Mr. Secretary, in that battle royal to get out the facts which you waged, which the record reflects that you waged, who was on other side?"

Secretary Shultz says "Well, I can't say for sure. I feel that Admiral Poindexter was certainly on the other side. I felt that Director Casey was on the other side of it and I don't know who else but they were the principals."

Going on, he says, Secretary Shultz says in the same series of questions: "Yes, I think it was my—one of my regular meetings and I used the meeting to focus on this and I think it was at that meeting the President said to me you are telling me things that I don't know, that are news to me. And I remember saying, well Mr. President, I don't know very much but if I'm telling you things that are news to you then you are not being given the kind of flow of information that you deserve to be given or something like that."

Secretary Shultz went on to say: "So we—and then there were things that were said that I was very concerned about. He was being given information that suggested that Iran was no longer practicing terrorism. That was wrong. And I don't know of various other things, but the gist of it was that there were things that he'd been given as information from the people who were briefing him and providing him with information in the press conference preparatory sessions that were not, in my view, correct. And I don't think the people doing that were serving the President. In fact they weren't serving the President and I was trying to get that point across as strong a way as I could with not just listing the arguments but saying look you have got to have the facts."

And this is another quote from Secretary Shultz. "I mean the battle to get the intelligence separated from policy and control over

policy was very much in play and the Director of Central Intelligence wanted to keep himself very heavily involved in this policy which he'd been involved in apparently all along. That's what it meant. That's what it meant to me."

I could go on about it but I know my time is running out. But I would come back on this. Here you had a Secretary of State, one of the principal customers of intelligence that basically was having to fight against what he believed to be the Central Intelligence Agency or the intelligence product going to the President. Now you were, in that period of time, either head of DDI or Deputy, and yet you say that you don't believe the President was being misled. And yet the Iran/Contra Committee found that the President was being misled and people who worked for you believe that the President was being misled. So you're sandwiched all around. The Secretary of State, the findings of the Committee later on which was after the fact, but during that time your own people felt that the President was being misled. You did not. Is that correct?

Mr. GATES. Senator, two points. First of all there is no secret that Mr. Casey and Secretary Shultz disliked each other intensely. In fact, I think during that fall period in 1986, that Mr. Casey even tried to get the Secretary of State fired.

Second, it's also I think no secret that Mr. Casey did not draw as bright a line as he should have in terms of this own role between providing intelligence and trying to influence the policies.

Senator NUNN. On that one, Mr. Gates, did you ever go and tell the President that. Watch out for Mr. Casey because—as you said yesterday—we have to pull him back all the time. Mr. Whipple said he had to stay over here and correct after he got through testifying. You were there with him for six years in one position or another. Did you ever go tell the President, watch out, the boss means well but he goes too far and he misstates things and he misrepresents things and he distorts the record. Did you ever tell him that?

Mr. GATES. No sir, and I don't think either one of my predecessors did either. But the point I was—

Senator NUNN. Should you have, looking back at it, gone to President Reagan in this time frame to warn that he'd better be cautious?

Mr. GATES. What I felt was important was ensuring that the President's Daily Brief that went to the President every day and that the intelligence that was published by the community and by CIA that went to the National Security Council staff, to Admiral Poindexter, to Secretary Shultz, presented as honest and forthright an account of what was actually going on as we possibly could. And I think that record stands up well. And I cited some of it yesterday.

And I think that there is—I know that some of the people in the Agency believed that there was some kind of a separate channel there but the people who are accused of having been that outside channel, I refer to you the sworn statement that Mr. Allen submitted yesterday, in which he said he did not do that, and to what I said yesterday about Mr. Cave not only having not written something for the PDB but having not gone down and given any briefings to the NSC except on the one occasion of the 25th of November 1986. And therefore arguing that there was no outside channel

in that respect. So I think that those of us who were in charge of the analytical product were working very hard to ensure that the best judgments that we could make were in the hands of the policy-makers.

Now, if Secretary Shultz felt that the President was being misinformed, that the information was not getting through to him, traditionally the funnel for intelligence information going to the President has been the National Security Advisor, and at that time that was Mr. McFarlane and then Admiral Poindexter. Those are the gentlemen who convey beyond the President's Daily Brief any other intelligence going to the President and that's where the responsibility would lie if that channel of accurate information was being cut off.

Senator NUNN. Did you ever express concern to Mr. Casey himself that he should be careful about what he was saying on this subject?

Mr. GATES. I talked to Mr. Casey on several occasions about ensuring that the views of the analysts get represented when he would go do his briefings at National Security Council meetings.

Senator NUNN. In retrospect, does it seem credible to you when you listen to Secretary Shultz' testimony that Director Casey's well known views of Soviet involvement in the Third World, his well known views on the questions relating to Iran and so forth, plus your understandable desire to assist Mr. Casey, do you believe that looking back on it, the combination of his strongly held views, the fact that you basically had to hold him back on a number of occasions as you said, the fact that people in your office such as Mr. Whipple, who said in the New York Times that he had to come over and correct the record after Mr. Casey got through testifying because so many things had been erroneously stated, do you think in light of all that that basically it's understandable that there is a strong perception of politicization in the Intelligence Community today?

Mr. GATES. Senator, I'm not sure how strong that perception is.

Senator NUNN. Well, without debating that, would you say that there are a number of people who would have reason to believe that there was a great deal of policy driving the product in the 1980s?

Mr. GATES. I think that Mr. Casey's strong views and his inclination to involve himself in policies, yes, did contribute to that impression.

Senator NUNN. Given the background and the record, Mr. Gates—and I'll close my questioning here, although I would like to reserve some time at the end—given that background and the record and so forth, do you believe that you are the best person to correct that perception at CIA?

Mr. GATES. I believe that I can, Senator Nunn. I think that my performance as Acting Director and my time as Deputy Director under Judge Webster, the care and courage of the product that we issued during the time I was Deputy Director for Intelligence, the degree to which when I was in positions of responsibility in the Intelligence Community and would brief either at the NSC or here on the Hill, I would confine myself to intelligence issues and what the intelligence said, and I believe I was very careful about differenti-

ating what the analyst believed and when I was giving my personal opinion. I think that plus the views of the analysts in terms of the changes in process that we made when Judge Webster arrived and the kinds of measures that I described yesterday in my opening statement to try and reinforce some of the messages we want to send, I think all of that combined with the knowledge of the analysts in terms of their morale and so on, that the relationship with the President and with the Congress and so forth is such that they would feel that their products are going to be more relevant, more used, more involved in helping policymakers make up their minds.

So I think that for all of those reasons, that the President certainly feels that I'm the best person to lead that change, and I believe frankly that I am, too.

Senator NUNN. Thank you.

Senator RUDMAN. Before the Senator from Georgia leaves, could he yield to me for just thirty seconds because it's a very interesting line of questioning, but just one comment I'd like to address to him.

Senator NUNN. I'd be glad to try and listen as I'm walking out the door because but I've got a bunch of mad conferees over there. Senator Cohen's supposed to be there himself.

Senator RUDMAN. I'd just like to point out to Senator Nunn a very interesting line of questioning, that all of Secretary Shultz' comments—if you go back and look at the record—were not relating at all to National Intelligence Estimates out of the CIA.

They were all related, and I will give the Senator the cite, to the National Security Council Directives, NSDDs. And the Committee found that it was atrocious misrepresentation to the President of the United States by the National Security Council, headed by then-Admiral Poindexter, of what the real facts were. And I don't know what relation this witness had with that. I'm going to ask him, but it's interesting that the Senator is absolutely correct on his characterization and in fact we all agreed—the minority who had their own report as you recall, I joined the majority report—the section the Senator read was absolutely agreed to by everyone as to the President being badly served.

But in fact it was the National Security Decision Directives that were the distortions. I have never seen the wording of some of those which we wanted to see. But what Mr. Casey said within those Council meetings and what misrepresentation was made, we will never know because they've never been unclassified. But I just wanted to make the point. I don't know what Mr. Gates' connection is to that. I have no idea. But that's what Mr. Shultz is referring to.

Senator NUNN. I could just only say in response to that on page 48 and I read—I probably didn't read as much as the Senator did on all of this—but I read all of this Shultz testimony and it's clear in here that he's talking about Mr. Casey all the way through. And on page 48, in quotes that I did not he said, quote, "I meant that the battle to get intelligence separated from policy and control over the policy was very much in play and the Director of Central Intelligence wanted to keep himself very heavily involved in this policy which he'd been involved in apparently along. That's what it meant. That's what it meant to me."

He goes over on page 57 and he says, quote, "So these are some of my reflections, intelligence separated from policy. Let the accountable people run things. Be sure the accountable people are tied to the President." He goes on to say on page 53, "But I think it's a very profound thing and is very easy to slip and I hate to say it, but I believe one of the reasons the President was given what I regard as wrong information, for example, about Iran and terrorism was that the Agency or the people in the CIA were too involved in this. So that is one point and I felt it very clear in my mind about this point and I know that long before this all emerged, had come to have grave doubts, great doubts rather, about the objectivity and reliability of some of the intelligence I was getting because I had a sense of this. So that is the point." So he was making a pretty broad sweep as I see it. But I appreciate the Senators point.

Chairman BOREN. Senator DeConcini is next. Senator DeConcini, Senator Warner said he has to go to the same conference. Could he ask one question before you commence?

Senator DeCONCINI. I'll be glad to yield to the Senator from Virginia for as long a time as he wants.

Senator WARNER. Thank you. I just have two quick follow up questions. I have to join the same conference as Senator Nunn. The role of a Deputy is to try and support his boss and not end-run him. In this instance there were many times that you went to Casey and expressed your own views which were strongly divergent from his. And let's just take a tough example, and that's the arms sale to Iran. How did you treat that subject in your private counsel with your boss?

Mr. GATES. Both Mr. McMahon and I had objected to it.

Senator WARNER. And you told him on more than one occasion your objections to it?

Mr. GATES. Yes sir.

Senator WARNER. Your expertise is in the area of Soviet affairs. From the period of the early beginnings of glasnost and perestroika on through the coup, we've seen your work product, to a large extent here in the records of the Committee, but will you tell us your own thought processes? The extent to which you were able to foresee the events as they occurred and in some instances that you were not able to foresee those events?

Mr. GATES. I think two errors in analysis that I made during that period were first, I did not believe Gorbachev would go as far as he ended up going under pressure in terms of political democracy. And second, I did not believe that he would so easily let go of East Germany. Those are two areas that I can think of.

On what I believe is the broader point I believed from fairly early on that his effort to try and make a gradual shift from a Communist totalitarian system to something else, which was never quite clearly defined, in destroying the old system would bring about a tremendous crisis and that there would be—that a huge power struggle had been undertaken. And that the economic reform program in particular was doomed to fail.

I used the expression at one time that his approach to it was like a gradual transition from driving on one side of the road to driving on the other. And that the consequences would be similar. That it

couldn't be done that way. And therefore something had to give. And that the only way that the system could be changed would be through a revolution in which things really all changed at once. And in fact that's what happened after August 19th and the attempted coup.

But I basically felt that his reform effort was doomed to fail particularly in the economic arena because it was so contradictory and so flawed. And I think on that score, and the fact that it also had political ramifications and that he had not weakened the instruments of repression, were all significant flaws in his approach to change.

Senator WARNER. I thank the gentleman.

Chairman BOREN. I've consulted with Senator DeConcini and Senator Bradley who have follow-ups in this round. They're willing, Senator D'Amato, if you wish, for you to proceed now with your opening round. Then we will proceed with Senator DeConcini followed by Senator Bradley.

Senator D'AMATO. I thank the Chair and my colleagues. Mr. Gates, I have a statement from Elizabeth T. Seeger which was submitted to this Committee and sworn to. Who is Elizabeth T. Seeger?

Mr. GATES. She was the author of the—the primary author, I believe, of the paper on the attempted assassination of the Pope.

Senator D'AMATO. I'd like to take time to share with the Committee and more importantly with the media and the public this statement. There are two pages but it is rather cogent because it seems to me that it goes to the very credibility of another witness who testified with a great deal of credibility having been given to him, who testified with seeming precision and accuracy. It would seem that his testimony is at great variance with the testimony of the person who was primarily responsible for the Papal Assassination Report of 1985. As I've indicated, this statement was sworn to by Elizabeth T. Seeger, on October 3, 1991.

I believe I am uniquely qualified to comment on charges that Mr. Robert Gates politicized intelligence during his tenure as CIA's DDI. I was the principal author of the 1985 Intelligence Assessment on the question of Soviet involvement in the attempt to assassinate the Pope. Unlike Mr. Mel Goodman, who addressed the Committee on this issue, I have first-hand knowledge of the research and production of this assessment. In addition, I am now a private citizen, having resigned from the Agency earlier this year to be homemaker. I therefore have no vested interest in providing this written statement. The assertions of manipulation by Mr. Goodman or others regarding this case are both without foundation and personally insulting to me. I therefore wish to set the record straight, based on my unique vantage point. Mr. Gates never attempted to manipulate me, or my analysis on the Papal case. He never told me what or how to investigate the case, nor did he tell me what to write or what conclusion to reach. He never expressed or even hinted at his own personal view on the question of the alleged Soviet involvement, frequently characterizing himself as agnostic about the case. According to all the evidence available to me, Mr. Gates never engaged in any type of manipulation or politicization of this issue. His attitude affirmed my sense that I was a free agent as I went about the task of examining the multitude of information on this case.

Mr. Gates did not direct me to find "smoking gun" of the Soviet involvement in the Papal attack. I tested the hypotheses of the Soviet complicity and presented the results in the study. The final report was a thorough and honest treatment of the subject. Indeed, even critics agreed it was well done and comprehensive.

I wrote the assessment with contributions from two SOVA analysts and having examined all of the available evidence and leaving requirements on the DO for addi-

tional information on the case. In the paper, reporting was carefully used and DO guidelines were strictly adhered to in characterizing DO sources reliability.

In contrast to Mr. Goodman's recent statement on this subject, the DO never expressed any hesitation in the use of its sources. I can recall instances when Mr. Gates made specific efforts to insure that the analysis was not misrepresented in any way. Prior to the publication of the paper, for example, an individual on the seventh floor urged that the paper's title be altered to strengthen the link between the assassination attempt and the Kremlin. Mr. Gates refused to change it.

Is that true? Do you recall someone suggesting that the title be changed to strengthen it and that you refused to do that?

Mr. GATES. No sir, I didn't specifically.

Senator D'AMATO. You did not specifically.

Mr. GATES. I do not specifically remember it. No.

Senator D'AMATO. Okay. "He clearly did not want the title to go beyond what the paper could honestly say." How would you brand Mrs. Seeger's—how would you characterize it, do you recall any discussion about changing the title of the paper?

Mr. GATES. No sir, I don't.

Senator D'AMATO. By the way I think that's refreshingly honest, because if you said that you can recall that you did hear someone attempt to strengthen the title, the author of the paper indicates there were those who wanted to and you said you would not, it would be an easy, positive thing to claim credit for.

He did not want to misrepresent the conclusions of the assessment. Mr. Gates further attempted to insure the quality and objectivity of the research and the analysis by periodically requiring internal critique of the work pertaining to the case. I can recall three such critiques having been done.

"Assertions by Mr. Goodman to the contrary, the study was not prepared secretly. No relevant office or analysts were excluded from participating in the examination of the case or in the production of the final report. Some self-screening may well have occurred by individuals who considered the case to be of historical interest because the events had occurred some years earlier. But not of intelligence value. It was not a "hot", current intelligence topic, and consequently, not of great interest to many of my colleagues who perform the dynamisms of current intelligence.

"We were discreet in preparing this study, principally in deference to DO concerns about source sensitivity. But also because of concerns that the US not be seen as interfering in matters under consideration by the Italian judiciary. Nevertheless, standard Agency procedures were followed in producing the paper and all of the appropriate DI offices signed off on it, including SOVA and the DO."

She concludes:

"I'd like to conclude with my personal impressions of Mr. Gates based on my experience with the Papal case." And I think it's important. So much has been raised about the politicization of the Papal Case and here is the very author going through it in extreme detail to talk about the objectivity which Mr. Gates attempted to bring about.

He's an innovative leader, a brilliant intelligence officer, a serious individual who is a quick study and seeks credible intelligence analysis and a person with a razor sharp sense of the relationships of intelligence to policymaking. He's been attacked unfairly with regard to this case. I can state this unequivocally because I was the Agency's key person on the Papal case for years and was in a position to know whether manipulation or politicization of intelligence occurred. Neither did.

Based on my experience, I can think of no individual more highly qualified than Mr. Gates to lead the U.S. Intelligence Community into the next century. And I swear to the accuracy of this statement. Elizabeth T. Seeger.

Let me ask you what involvement in the Papal Assassination reports of 1983 did you have?

Mr. GATES. Only in reviewing the draft.

Senator D'AMATO. What did you think of the 83 draft?

Mr. GATES. I signed off on it and approved it for publication.

Senator D'AMATO. What do you think of the 1983 draft at this point in time in terms of its accuracy, its reliability, its dependability?

Mr. GATES. I think that the 1983 paper and the 1985 are both flawed in that they did not comprehensively address some of the alternative scenarios. The 1983 paper came down very conclusively, or fairly conclusively on the notion that neither the Bulgarians nor the Soviets had had anything to do with the case.

The 1985 paper weighed the new evidence and came down more on the side of the Soviets. But neither one fully explored the alternatives and I think that was a flaw in both.

Senator D'AMATO. Let me ask you, do you know Kay Oliver.

Mr. GATES. Yes sir.

Senator D'AMATO. What is Kay Oliver's position at the present time.

Mr. GATES. I know only that she is an analyst at CIA.

Senator D'AMATO. She's Chief of the Counterintelligence Analysis? Do you know that to be the case?

Mr. GATES. I just haven't kept track sir.

Senator D'AMATO. I have a very comprehensive statement of Kay Oliver who also worked on the '85 report. Let me just read part of it.

Let me briefly state my credentials in keeping with practices of others not well known to the Committee who have given testimony. I have a PhD in Russian History from Indiana University, and like Mel Goodman, have many years of experience, 18 working at CIA as an analyst and supervisor of the analysis in the Soviet area. I am a member of the Senior Intelligence Service. My current position is Chief of Counterintelligence Analysis.

It goes on to talk about various areas—and I am not going to read all of it. She raises the question which I think is important to the Committee, and to the public. What is politicization? What is it?

Now I would like to turn to some of the broader implications of Mr. Goodman's charges. Members of the Committee may wonder why he chose to offer such an elaborate, five item definition of politicization. Common sense would suggest a simpler definition, namely the deliberate suppression or distortion of intelligence information and assessments to serve some policy agenda. Such a definition includes not only along these lines by top CIA managers, but also by mid-level managers and analysts, who may sometimes be tempted to lean on one side or another to counter perceived policy errors of the Administration or intelligence assessments from other quarters.

While Mel's five criteria of politicization are unobjectionable, taken literally in the real world conflicts, they may beg some big questions and provide the rationale for a narrow, intolerant, proprietary approach to intelligence analysis.

She goes on:

Intolerance of diversity of work. I worked with Mel Goodman for many years. I know him to be a serious student of Soviet affairs and a very engaging person in some settings. But I also know that Mel shows a different side in dealing with substantive conflicts on the job. Nothing is more poisonous to the atmosphere at the CIA, more destructive to the process of debating issues on the merits than the casual accusing colleagues of conspiring in or being duped into politicizing intelligence. It is important that our substantive discussions take place with an understanding that honest people can disagree and the realization that few of this side of Heaven had a monopoly on truth. Unless these basic ground rules of civilized discourse are accepted, substantive conflicts can easily escalate into ad hominem attacks on the character and competence on those who find themselves on the wrong side of the issues.

The comments Mel has made to this committee on the 1985 Papal paper are a case in point. The Cowey Report produced by the panel at the CIA that reviewed

the agencies track record in dealing with the Papal assassination attempt found the '85 paper to be, by any standard, an impressive work. But Mel found the paper not simply one with which he disagreed, but one that was abominable, absurd and tendentious, written by authors whom he strongly suggested were lacking in intellectual integrity and inclined to pander.

Let me go on. In paragraph 19, she says:

I believe that the tendency for so long to dismiss without comprehensive examination the notion of Soviet involvement also reflected a fundamental flaw in analytical approach. For many years, analysts of the Soviet foreign policy shop at the CIA were dominated by a school of thought that focused almost exclusively on Soviet relations with other countries at the level of diplomacy and military support, and treated dismissively that important stratum of Soviet Foreign policy behavior orchestrated by the Central Committee's International Department and the KGB. These institutions, of course, attempted to influence foreign policy developments through espionage, propaganda, influence operations, active measures, clandestine support for political violence and assistance to various groups working to undermine governments unfriendly to the USSR.

A certain intellectual fastidiousness was at work at the CIA's Soviet Foreign Policy Shop reflected in a feeling among some analysts that delving into the seamy side of the Soviet behavior was somehow in bad taste. There was general reluctance to monitor closely the covert instruments used to advance Soviet global objective instruments that only now are being fundamentally reformed. Mel Goodman, as much as anyone, personified this approach in analyzing Soviet foreign policy, an approach that I believe that Bob Gates rightly sought to broaden.

Let me ask you, were you responsible for asking for a review of the '85 and '83 reports?

Mr. GATES. Yes sir.

Senator D'AMATO. Why did you ask for a review? If indeed you had politicized the '85 report, it would seem to this Senator that it would be highly unlikely that, having achieved whatever result you wanted that you would have ordered these reviews. I find the author herself and a supervisor's statements that flatly contradict those that were given wide publicity and wide veracity in Mr. Goodman's charges. They say it did not happen, that you certainly did not engage in politicization and that if anything you indicated repeatedly that you took an agnostic view of this and said let it fall out where it is. How is it then that you came to order the '85 review?

Mr. GATES. I don't remember exactly what prompted me to order the review, except the general sense that we had not done a good job in looking at the overall Papal assassination attempt. I think I probably had had some people come to me and express concern about the paper. I think I had also asked Mr. MacEachin to have Mr. Hibbets, who's statement was read yesterday, write an attack on the paper from the standpoint of those who believed the Soviets weren't involved, and I think it was in the wake of perhaps seeing Mr. Hibbets' paper and perhaps comments that others had made to me in my own concerns about the overall thing—

Senator D'AMATO. Well, let me say this to you Mr. Gates. It seems to me that it's incredible to believe that you should be accused of politicizing the '85 report when you indeed are the very person who brought about an analysis of the report that if anything brought up some of its deficiencies. I find it hard to believe that people can support that theory. It is absolutely not supported by fact, it is not supported by your actions, it is not supported by the people who wrote the report, and to give Goodman any credit

whatsoever as it relates to his statements just flies in the face of fact and reason and logic. It is just not there.

By the way, I think the '83 report was a travesty. And I think the Agency was more inclined not to be seen as meddling in and the investigation that the Italians were conducting, and for whatever reason, they took a very back-off stance. And we go back on that. Agents that I met in the field back in '82 and '83 would have led you to believe there was no attempted assassination of the Pope. And to actually believe that Agca, a lone, crazed gunman could escape from the Turkish prison, come back and forth over the borders, stay in Sophia, spend \$50,000 to \$60,000 that we know he spent, and find himself in the company of Bulgarians who he identified with specificity, and not think that there was a very close relationship between the Bulgarian agents and that attempted assassination and Agca, that is not credible either.

But that is for another time, and that is what I find absolutely unacceptable.

Let me ask you this. As you know—and this relates to the Pan Am flight 103—there were a number of people killed on that plane who were students at Syracuse University. The families have contacted me to express deep concern because this whole area of politicization of intelligence casts doubt in many areas of this country, not only as it relates to some of the Iranian situation with weapons sales, the Papal assassination—the attempted Papal assassination—but it casts doubt on what they have been told in other areas. As it relates to Pan Am 103, they are concerned, and in fact some believe, that the CIA was aware of a terrorist plan to attempt to bomb the aircraft before the event, and failed to warn the FAA or Pan Am.

Let me ask you, to your knowledge, did the CIA know in advance of the bombing, that Pan Am 103 was going to be the target of a terrorist attack?

Mr. GATES. Not that I am aware of, Senator.

Senator D'AMATO. To your knowledge and within the limits of classification necessary to protect intelligence sources and methods, is the intelligence information that has been made public about the attack accurate?

Mr. GATES. Yes sir, I think it is.

Senator D'AMATO. So it is not politicized, distorted or otherwise wrong or misleading at this point?

Mr. GATES. No sir, not that I am aware of.

Senator D'AMATO. Let me say Mr. Chairman, I have concentrated my efforts as it relates to the charges that have been made against Mr. Gates in that area of the Papal assassination, because I have had an interest in the attempted assassination, and I find them absolutely, totally inconsistent, the charges that have been made against Mr. Gates, with politicizing particularly the '85 report. Gates was the very man who brought about a critique of the report. The very people who wrote and authored and supervised the report say it never happened, that Gates never interfered, he never attempted to steer the results. Now damn it, that's wrong. When you publicly take a man and just hang him up and rip him to shreds, by gosh, we ought to have enough courage and enough guts to look at the facts. Goodman? How could you believe that

crook of nonsense that he put forth? And I have to tell you something, if you read—and time doesn't permit—Kay Oliver's statement in its entirety, she tells you who the insufferable person was—Mel Goodman. He couldn't stand anybody who had anything different to say about a subject that he may have worked on. They were idiots, they were incompetents, or they were dupes, or they were politicizing their findings. If anything, Bob Gates wasn't the fellow who politicized and tried to steer intelligence, facts and information, it was Goodman, the very accuser who comes up here. We are not talking about people who just thought it was happening or who had heard about it from others. No, they actually tell you that this went on, when they disagreed with him.

This nonsense of saying, well, I heard a rumor and we talked to people and that's the impression and that's how they felt, that's the kind of thing we are getting here. And it is wrong. It is intolerable and it is not fair to the individual and it is not fair to the process and to the American people to lead them to believe that's been the case.

Now that is one area that I have been able to look at carefully and examine. Time has not permitted this Senator to go into each and every one of the other areas with the kind of precision necessary—and some of my other colleagues have—but what I hear from them and what I gain from staff is that the same kinds of things went on there. Vague charges unsubstantiated by the facts. I intend to support Mr. Gates and I think we owe it to him and to the process to be more critical of those who come forward with charges that fail with specificity to identify the time and the place of these alleged politicizations and these activities of politicizations that they lay at his doorstep.

There may have been some by Mr. Casey, but I don't see where that falls to Mr. Gates.

I thank the Chair and I thank my colleagues also for having given me this opportunity at this time.

Chairman BOREN. Thank you, Senator D'Amato. Again I thank our colleagues for allowing us to proceed in this fashion. And now I recognize Senator DeConcini.

Senator DECONCINI. Thank you. Good morning, Mr. Gates. Mr. Gates I want to take up where I left off on some of these reports. I realize that as Deputy Director and Acting Director you have hundreds of these reports that come across your desk and you read them and you make comments on them and many never change or are never sent back. However, I still have some problems with it.

What I want to refer to is Ms. Jennifer Glademans' statement. Let me just read it to you so you will know what report I'm talking about. It's on page seven of her testimony of her direct statement:

In September 1985, there was an estimate on the Arab-Israeli peace process and the question of Soviet-Israeli relations became a disputed issue. The NIO for the NESR and eventually the NIO for the U.S.S.R. were the only two participants in the estimate who supported a conclusion that the U.S.S.R. was likely to reestablish diplomatic relations with Israel within the next eighteen months. Everyone else, including SOVA analysts, argued that it was indeed unlikely, citing Soviet concerns about angering Arab friends and not getting anything in return from Israel, (namely agreement to an international peace conference). Ultimately the test included both views. But the estimate cited no evidence or support for either case.

Simultaneously, I and a colleague were writing a paper examining the prospects of Soviet-Israeli relations that included a large body of evidence, much of which had not before been published. Mr. Gates' response, however, was that though the paper was good, it should not be disseminated.

I just want to ask you a few questions about it. Mr. MacEachin, when asked about it, agreed with Ms. Glaudemans' testimony. He agreed that he reviewed her paper and sent it on to you. He agreed that a memo came back with your signature killing the paper. Graham Fuller, who wrote the first estimate that listed as one of the alternative scenarios that the U.S.S.R. was likely to reestablish diplomatic relations with Israel within the next eighteen months, testified yesterday or the day before yesterday that he could not understand why Glaudemans' paper would have been killed in the first place. I note that the Soviet Union and Israel have not reestablished relations and it is now at least seventy months since the assessment was published.

You said in your opening remarks, Mr. Gates, that in 1982, when you set out to improve analysis, you listed as one of your primary points, to make better use of evidence. It appears to me that you said one thing in '82 but followed something else in '85. It seems to me that policymakers here, who received the first estimate done by Mr. Fuller, that listed as a possible scenario the reestablishment of Soviet-Israeli diplomatic relations, was really based on no evidence. The policymakers were deceived in light of the draft memorandum that was sent up to you from Mr. MacEachin and Ms. Glaudemans. Am I wrong?

Mr. GATES. Senator, when I went back to the Agency a few days ago to get documents addressing some of the issues and the allegations that had been made, it was because I had no direct recollection of exactly what we had said about what issue. And only through reviewing the record myself could I put together what, in fact, that record was.

I don't remember this specific paper by Ms. Glaudemans. I reviewed seven hundred to seven hundred and fifty papers a year. I don't know whether my motive was the fact that a National Intelligence Estimate had just been issued that addressed both sides of the issue and, therefore, it was unnecessary. I don't remember whether I had some other problem with the paper. I would have to go back and look at whatever comments I wrote on it. It just don't remember it.

But I don't think it was fair to say that the policymaker was deceived because as apparently the record that you have there says, both points of view were represented in the National Estimate.

Senator DeCONCINI. According to her, and I didn't get into details with her, both points were represented but there was no evidence to support either case. The evidence in Glaudemans' paper contradicted Mr. Fuller's estimate, which you disseminated. My quarrel, if it is a quarrel, is how responsible is it not to also disseminate the other side? That's really my question. Whether it's Ms. Glaudemans' or anybody else.

Mr. GATES. Well, I think it is very important to make sure that alternative points of view are made known. And it sounds like that was in fact the case in the estimate.

Senator DECONCINI. Well then, how important is it that evidence be made available as well as the point of view? Ms. Glaudemans indicates the estimate cited no evidence or support. To get to the point, when evidence does come to you in the future, if you are confirmed, would you think it was proper to send that evidence on with the estimate?

Mr. GATES. I certainly would, Senator. But, again, I have no reason—I don't know why that paper was rejected at this point. And without going back on the record, I don't know whether it was just a matter of the fact that it presented evidence and perhaps the estimate didn't. I would want to look at both documents to find out what the facts are. But I certainly agree with you on the fact that the estimate ought to reflect both points of view.

One of the things that I did after, in reviewing this record, going back to your original dialogue with me a couple of weeks ago was look at the record in terms of Mexico and narcotics. And I've identified a paper done in 1986 that goes very deeply into the very subject that you were concerned about. So, it's a matter of just going back and figuring out what the record is.

We published an awful lot of stuff during that time and a lot of it that I adduced yesterday, I certainly didn't remember and would not have without getting the document themselves.

Senator DECONCINI. Well, let me ask you this generic question. If you are confirmed, is your philosophy that evidence goes forward to support both sides to the policymakers. Is that correct?

Mr. GATES. That is absolutely correct.

Senator DECONCINI. Some evidence would go forward, not just one position is this way and another position is that way, all evidence you feel is necessary for policymakers to have?

Mr. GATES. That's the way I think the analysis ought to be done. Yes sir.

Senator DECONCINI. Let me switch gears a little bit and turn—

Senator CRANSTON. Dennis?

Senator DECONCINI. Yes.

Senator CRANSTON. Would you permit me to ask just one question at this point?

Senator DECONCINI. Be glad to yield to my friend from California.

Senator CRANSTON. I have to go to the Floor shortly and I would like to ask one thing.

Senator DECONCINI. Sure.

Senator CRANSTON. I looked at the documents from the Iran-Contra hearing that Senator Nunn referred to a bit ago in regard to Secretary Schultz's testimony and his concerns about the quality of intelligence. His main concern, among several perhaps, was the importance, and I am quoting him now, "The importance of separating the functions of gathering and analyzing intelligence from the function of developing and carrying out policy. If the two things are mixed in together, it is too tempting to have your analysis and your selection of information that is presented favor the policy that you are advocating."

And then in summary he said later, "So these are some of my reflections. Intelligence separated from policy, that the accountable

people run things and be sure that the accountable people are tied in with the President."

But what I wanted to ask you was, relevant to that, and considering the fact that when the CIA is running operations but also doing analysis, there could be a tendency to tilt analysis to put a good light upon the operations conducted by CIA because it is in the same agency and their colleagues, although I know you are separated in some ways. What are your thoughts on how you build appropriate walls between operations and analysis to prevent any such thing from happening?

Mr. GATES. I think more often than not the analysts reaction to DO covert actions is a little bit like their reaction to policy in the respect that the inclination, if it exists at all, exists in the direction of skepticism.

For example, I think that one of the sources of conflict during the early and mid 1980's between the Directorate of Intelligence and the Directorate of Operations was that the Directorate of Intelligence was fairly consistently downbeat on the prospects for the Contras. And the Directorate of Operations took some offense at that.

I think that there is a danger—there are two dangers. Well, let me just say, there are three dangers that I think have to be taken into account when covert action is involved.

The first is the danger that you describe. And that is that there will somehow be an agreement, a tacit agreement that what is being done in the covert action is the right thing to do and so what's the evidence to support that it is working.

A second is that when the Directorate of Operations becomes involved in a covert action in another part of the world, there are only a given number of resources. And the real risk is that you will have a decline in the amount of intelligence reporting coming in because the officers in the region are involved in running the covert action. So that you end up, when there is a covert action, having less information independently to judge how well something is going on. And that is a continuing problem.

And I think that then raises the third and broadest question, and it's one on which—where the President and I have had discussions and frankly it was an area where I think Mr. Casey created some real problems for the Agency. And that is I believe that the Director of Central Intelligence should stay out of policy matters. I believe that the Director should not be a member of the Cabinet; the Director should, as with the Chairman of the Joint Chiefs of Staff, be an advisor to the National Security Council and the President. And I think that he should keep his hands clean in terms of making policy recommendations or getting deeply engaged in policy discussions. He should be there—his role in those meetings should be to make sure that the information that they are discussing is as accurate as we can make it. And that they are talking about the right facts. And that's the role that the Director should play. And if I am confirmed, that's the role I would intend to play, and I can tell you first hand that's the role the President intends that the Director would play.

Chairman CRANSTON. Just one more question on that point. I fully understand how the analysts might look askance at what the

operators were up to and perhaps vice-versa sometimes. But the head of the Agency and the Deputy are responsible for both, and are above and apart from both. Might not they have some desire to have analysis show that the operations are being done well under their direction and is there not a danger of that affecting the validity or accuracy of the analysis?

Mr. GATES. I think there is a risk of that. I think that there are some safeguards. When I was Deputy Director for Intelligence—and this continued through Judge Webster's tenure—the Director never read the President's Daily Brief before it was published. Now, Admiral Turner did. But I felt that it was important that the document going to the President, the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs, the National Security Advisor, be solely the reflection of the views of the analysts. So neither Mr. Casey nor Mr. McMahon ever reviewed drafts of the President's—well I won't say never, because occasionally there would be controversial things on Soviet military spending or something like that—but as a routine matter, they did not review the President's Daily Brief.

Similarly, on intelligence assessments done by the Directorate of Intelligence, very, very rarely would those ever go to the Director or the Deputy Director in draft. I would say 95% of the time, those were published without any—without the Director or Deputy Director ever having access to them. There were a few exceptions and occasionally I would send them a draft just because I thought they would be interested, not for comment.

So I think that the degree to which the work of the analysts in these areas is done within the Directorate of Intelligence, I think that it helps provide a safeguard that the finished intelligence provided by CIA is the work of the analyst, and does not reflect or helps protect against the temptation to try to put the best face on something involved in a covert action or something else. And I must say that if—when I was Deputy Director, I stopped reviewing papers. I didn't review drafts when I was Deputy Director, I didn't review the President's Daily Brief. And I would, if I were confirmed, I would continue that practice in that position.

Senator CRANSTON. Thank you very much. And Dennis, thank you.

Senator DECONCINI. Thank you.

Mr. Gates, let me go back to Mexico, as long as you raised it, and I am glad you did. You said you found a 1986 report that went into some of the items that we talked about that was not in the '84 report. I take it that was corruption and drugs and the DFS involvement with this.

Mr. GATES. Yes.

Senator DECONCINI. Just to reiterate my problem with that '84 estimate, Mr. Horton, who did the report, says that he went to you and complained about this not being in there, and though he doesn't fault you—he faults Mr. Casey more than anything else—he said you didn't do anything about it. Do you have any recollection about the '84 report and Mr. Horton talking to you about it and its failure to address drugs and corruption and the DFS involvement?

Mr. GATES. I know that Mr. Horton had a number of problems with the process in putting that paper together. But I don't recall him ever raising the absence of the—or the treatment of the drug issue as being a primary problem. I think he felt—what I recall him focusing on was his belief that the paper was too pessimistic. That it painted too dark a picture of the future for Mexico and did not give enough attention to the underlying strengths of the PRI.

Senator DECONCINI. Did you get a chance to read the 86 paper or review it?

Mr. GATES. I just glanced at it. I set it aside to provide to you when we got an opportunity.

Senator DECONCINI. I am told, and I have not looked at it, that it does deal with drugs and the corruption problems and the DFS that has now been abandoned.

Mr. GATES. Yes, sir.

Senator DECONCINI. And of course, you know, in the 84 estimate that was not included. I looked at that one myself, and it was so clear to me that there was something lacking. Whether it was perpetrated by you, I do not know, but there was something lacking in that one. We lost a DEA agent, Kiki Camarena in 1985. The DFS was as corrupted as it could be, that it finally was disbanded. I think it is a real black spot on policy of the agency's side for that '84 report, process or whatever you want to call it, not having that information in it.

Let me turn to December of 1986 or January of 1987. Mr. Fiers testified here, and maybe you saw his testimony, that in the time frame of the Tower Commission, the Tower Commission found that a Mr. Fernandez, who was an operative I understand in Central America, may have perjured himself before the IG, the Independent Inspector General. Fiers was sitting in Clair George's office discussing this and what a big problem this was, not only for Mr. Fernandez, but for the agency, you came in and they presented this to you and they said that Mr. Fernandez was going to have to get a lawyer. And you according to Mr. Fiers said that if he gets a lawyer, he's outta here. Do you recall that.

Mr. GATES. I have some recollection of that, yes sir.

Senator DECONCINI. Can you tell us, is that your policy that if an agent who might be in trouble or has a problem, gets a lawyer, he is considered out of the agency for doing that?

Mr. GATES. Senator, I think the lesson of that experience is that one should never get angry in front of any witness.

I was mad. I was very mad. For several months, I had believed that everyone in CIA had told the truth about what had happened with Iran-Contra and Hasenfaus and everything else, and here I was being informed that in fact that presumption likely was not true. I was furious and I said that. Because in essence what they were telling me was that it looked like somebody had lied.

Now, the facts are that he did get a lawyer. I was under a good deal of pressure to fire Mr. Fernandez forthwith. I looked into it, and I found out that he had, I think, eight children and would become eligible to retire on the 1st of April, just a couple of months from then. And I allowed Mr. Fernandez to remain on administrative leave until he was eligible to retire. So it obviously is not my policy—if any agency officer gets in trouble, he obviously will have

all of his constitutional rights, and I will be more careful around whom I get angry.

Senator DECONCINI. I am glad to hear you say that. Mr. Fiers went on to say that you said that you are on your own if you go out there, and that was what he considered to be a policy. Was there such a policy?

Mr. GATES. No sir.

Senator DECONCINI. That you had instituted or anybody else, that if you get called up for giving misstatements someplace, that you are on your own?

Mr. GATES. Well, to this extent Senator: If somebody has—and we have encountered this with the Independent Counsel—if you are called to book for lying or for possible criminal activity, you are required to go out and get your own lawyer. The Agency cannot provide support.

Senator DECONCINI. I understand that.

Mr. GATES. So in that sense you are on your own.

Senator DECONCINI. Just to follow that up, that does not mean that you are on your own in the sense that if you get a lawyer or you take the 5th Amendment, you are out of here, you are out of the Agency.

Mr. GATES. No sir.

Senator DECONCINI. What that means is that if you have to get a lawyer because of some action you took while you were an employee of the agency, you're going to have to pay for him yourself?

Mr. GATES. Yes sir.

Senator DECONCINI. Okay. Let me just ask one last question then I will yield to Mr. Bradley and I appreciate his patience here.

It deals with the questions that Senator Bradley asked you and I think Senator Nunn did. I just want to discuss the now famous speech of 1986, War by Another Name. Senator Bradley raised this with you yesterday and I believe you told Senator Bradley that you tried to make it very clear when you delivered that speech that this was your own opinion.

Is that a fair statement to Senator Bradley?

Mr. GATES. The passage that he read, yes sir.

Senator DECONCINI. Yeah, that he read.

When you made that speech, were you introduced there as the Deputy Director of the CIA. Was there any qualification or caveat that this was your own statement, and not to be considered a statement of Bob Gates, the Deputy Director of the CIA? Or just Bob Gates, Mr. Citizen who wants to express a view here personally?

Mr. GATES. I don't recall that there was a caveat. Sometimes I would introduce speeches by saying that what I was about to offer was my own view. I don't recall whether I did in this case.

Senator DECONCINI. In this speech, you made some very interesting statements; that within the Soviet Union's global strategy, its targets included among other things the Panama Canal, the mineral resources of South Africa, and the oil fields of the Middle East. I believe you admitted to Senator Bradley that this amazing analysis was based on no evidence.

Mr. GATES. That's correct. It was my analysis.

Senator DECONCINI. My question is, if you are to make these kind of speeches and are confirmed, don't you think it's very im-

portant that you clarify that this is your own personal view, particularly when you are the Director of the CIA? It's not clear to me, because I have your speech and there is no place in it that says this is your own personal view. Now you might have said that at the end as a caveat or a footnote or something, but it really bothers me Mr. Gates, that politicization is what we're talking about and here when you were the Acting Director you're out there making such a dramatic speech and it appears to me that you made the speech as the Deputy Director and not merely as a citizen who wants to voice his view.

Mr. GATES. Well sir, first of all at the bottom of page eight in that section you'll see that I do say in my view.

Senator DECONCINI. Yes you do. That's correct. You do and I have it underlined.

Mr. GATES. But more importantly to your point, I not only agree that it's important to differentiate whether I am offering what is in essence a summary of what intelligence has concluded at a given time on a subject like proliferation or whatever, and where it's a personal view. But frankly going back to the discussion of yesterday and two weeks ago, as I had indicated really on the first day of the hearings—and quite honestly before I was nominated for this job, having with where you stand sometimes depending on where you sit—from my job as Deputy National Security Advisor it seemed to me inappropriate for the Director to give speeches that could be interpreted as policy advocacy.

Senator DECONCINI. Certainly you agree that that one could be?

Mr. GATES. Yes sir.

Senator DECONCINI. I take it that's not going to be your practice if you're confirmed?

Mr. GATES. You can bank on it.

Senator DECONCINI. Mr. Chairman, I thank you. I have questions I would to pose to Mr. Gates at a closed session some time, and I appreciate the Chairman and Mr. Bradley extending beyond my twenty minutes. And I appreciate the Senator from New Hampshire not objecting.

Chairman BOREN. Thank you very much, Senator DeConcini. Let me just say for the information of members, Senator Rudman has four or five minutes of questions and then we'll go to Senator Bradley. I don't know if Senator Cranston or Senator Metzenbaum want more time?

Senator DECONCINI. He did his questions. I yielded to him.

Senator BRADLEY. Senator Cranston had to go to the Floor.

Senator CRANSTON. I don't think I have any more.

Chairman BOREN. Okay. My plan would be that we would finish all the questions in open session, as I've indicated, from those who've told me they probably have some questions. Then at approximately 1:30 or 2:00 o'clock, we will reconvene in our hearing room to take up the closed matter on Members of Congress and staff and intelligence collection.

I will put the nominee on notice that approximately 30 to 45 minutes after we begin that session, we will then have the nominee come back in to answer any additional questions of a classified nature in closed session.

Senator CRANSTON. Any estimate how long that will run?

Chairman BOREN. I may have one or two questions based upon what we hear on the Congressional staff intelligence issue to address to the nominee. Institutionally, there are some questions that need to be addressed to him from a Committee point of view. And then whatever other members have.

Senator DECONCINI. Mr. Chairman, you know I can see that dragging into the late afternoon.

Chairman BOREN. Oh no. I don't think it will.

Senator DECONCINI. Is it possible that we could do some of this Monday if some of us can't make it late this afternoon?

Chairman BOREN. Well, I'd prefer to finish it up and I think we can. I think, in fact, if Members are willing to take even a shorter lunch break, we could start in 45 minutes after we finish here. An hour would be fine with me. Okay, we'll start our private briefing one hour after we finish the open session, at first with just Members of the Committee without the nominee present on the briefing on the Congressional matter. I don't think that will take more than half an hour and then we'll call the nominee in. As far as I know, there are only two or three Members of the Committee who have questions. So I would think this would not go very long this afternoon. Okay, Senator Rudman.

Senator RUDMAN. If Senator Bradley has a scheduling problem, I'm happy to yield right now and come after him.

Senator BRADLEY. As long as the Senator keeps to his four minutes, I have no problems.

Senator RUDMAN. Five.

Thank you Mr. Chairman.

Mr. Chairman, let me just say at the outset that I appreciate the way you've been running the hearings, and I think we all feel that we've had the opportunity we need. I thank you for that.

Mr. Gates, one of the most revealing pieces of hard evidence we've had in this has been this very interesting exchange between Greg Hodnit and one of our witnesses, Ms. Glaudemanns. It concerns a memo that Mr. Hodnit wrote on 29 April 1986, which was simply a memorandum saying that he wanted to stimulate discussion of principles and practical questions concerning that division. He was her immediate superior.

In her testimony she—and I'll just characterize it, it's in the record—but she characterized that memorandum as a further bit of evidence. "This was a signal to analysts that our product was displeasing the seventh floor." I think in her actual spoken testimony she said it had a chilling effect on her, and I do not doubt that she felt it did.

What struck me in the memo of Greg Hodnit was that I thought it was a fairly benign memo. So obviously it had to be the straw that broke the camel's back and I'm going to get to just a few questions. But when you read this memo compared to a lot of memos that quite frankly I think we all write, this one is pretty benign and the reaction was extraordinary.

Senator Danforth talked about it. But for instance one of the sections says, "Achieving a greater understanding of uncertainty, omniscience is not a requirement for employees, nor given the information resources at our disposal, is it a state of being we are likely to achieve."

And she responded to that benign statement with, "What kind of a person would say this in our business? We are all professional intelligence officers and the uncertainty factor is the basis of our work. How dare you say, parentheses imply, we consider ourselves omniscient?" Pretty tough reaction to a pretty mild memo. I'm going to have to be careful of some of the memos I write to my staff, I'll tell you.

Then there is another one here that says, "Undertaking more self-generated analysis. Much of our writing is and will continue to be a gloss on unfolding events. This is both necessary and inevitable." It goes on in that way. And she replies to that, "We call it analysis. Do you want—underline want—propaganda?" Again a very strong reaction. I think an overreaction based on the letter. But I think there is more to it than that.

And finally this statement, "We must identify and grapple with key unresolved intelligence issues which means among other things we must engage in hard, intellectual labor over what it is we don't know but need to know and over how we can go about reducing our ignorance."

And her response to that was, "That is so insulting I won't even comment." Now, those are really remarkable reactions to a benign memo which is in the record, the public record. Now there had to be a basis for that, and I don't know who's right and who's wrong. But you know this is a whole separate issue. But it really is the essence of why the charges of politicization are being made. And I want to go through a series of questions with you in the three minutes I have remaining. I think they're simple questions, but at least they do characterize what people have told me was the genesis of all this. I think it's important that everybody understand really what was going on there, because it really is at the center of what we've been hearing for the last few days.

I have been told that some Soviet analysts—people of good reputation, such as the two witnesses, Mr. Goodman and Ms. Glaudemanns—believed in what has been labeled as the "rational actor" method of analyzing Soviet intentions. They applied a kind of a cost-benefit analysis in order to predict Soviet intentions. And there is a school of very good people who believe that. I don't take issue with that. I'm just asking, is that right?

Mr. GATES. Yes sir. I think that's probably right.

Senator RUDMAN. Now, I think it's also true from what I've now been told that a lot of Soviet experts including yourself, objected to the approach. Not to the analysis that resulted from it, but to that approach. That your school of thought believed that you should consider ideological imperatives, historical willingness of the Soviets to use some pretty nasty methods and so forth. You thought that it was very important to look at these issues separately or in conjunction with the approach that the others took. So those are the two schools. Is that a fair characterization?

Mr. GATES. Yes. And my view was that both should be examined.

Senator RUDMAN. Well then the dispute wasn't over the conclusion. It was on the method of the analysis and the philosophy that was followed in order to reach the conclusions.

Mr. GATES. Yes sir. I think so.

Senator RUDMAN. Did you occasionally receive draft analyses proceeded from the basis in which they believed and ignored the basis that you believed?

Mr. GATES. Yes sir.

Senator RUDMAN. And it's my understanding that you sent those back and said, "Include the other approach," which is the non-rational actor approach; make sure both of these streams merge downstream.

Mr. GATES. I think that's at the heart of some of my comments on the draft on the Soviets in the Third World in 1982.

Senator RUDMAN. And I assume that one of the reasons you wanted that done, is that you believed that the resulting analysis would reflect maybe a less benign attitude of the Soviets than the other method by itself? Is that accurate?

Mr. GATES. It's accurate. As Mr. MacEachin said, a rational actor would not have invaded Afghanistan.

Senator RUDMAN. So you were trying to influence the conclusion, not by slanting, but by making sure that all approaches were used?

Mr. GATES. Yes sir.

Senator RUDMAN. All right.

Mr. Gates when did you acquire your view about how to analyze Soviet intentions? Did you acquire it in 1981 when President Reagan was elected and Bill Casey became DCI? Or had you acquired it a long time before that? And can you give us an example?

Mr. GATES. I think it came out of graduate school and my own experience in the Air Force and in my first years as an analyst. The first time I really expressed it in writing I think was in a 1973 Studies in Intelligence article in which I complained that the work we were doing on the Soviet political matters wasn't very good.

Senator RUDMAN. What year was that?

Mr. GATES. 1973.

Senator RUDMAN. In fact, from what I have been told by some of the CIA people that have contacted many Members of this Committee during these hearings, that you have had that ongoing philosophical—academic, if you will—argument with Mr. Goodman and others for years. It was a major bone of contention—healthy, but a major bone of contention within that division.

Mr. GATES. Yes sir.

Senator RUDMAN. Now in 1982, the thing that changed is that you then become DDI. You had the authority to exercise management judgment as to what was the best method to analyze Soviet intentions. Am I correct?

Mr. GATES. Yes sir.

Senator RUDMAN. And do you stand on your statement that you felt that you allowed both schools of thought to be represented in the analysis that went forward in the National Estimates?

Mr. GATES. Yes sir. I think so.

Senator RUDMAN. And I believe you would refer back to yesterday to several of the documents you produced to prove that point. Is that correct?

Mr. GATES. Yes sir.

Senator RUDMAN. Well, I am now done. And I will simply say that I think this is important to get into the record because I don't think the CIA is different from any other place in this town.

People in management have to exercise judgment. And I can see how people whose views differ can criticize that judgment. I think the sad revelation to me has been that not only has the judgment been questioned—and in Mr. Gates' case, his position on Soviet intentions has been known for a long time—but his motives have been questioned. They argue that he differed with them not because he differed academically, but because he was devious, he was trying to please people and he was slanting. Not because he had an honest disagreement. I think that is a very important point to make because, Mr. Chairman, I think it underlies a great deal of what we heard in the last two days.

And I thank the Chair and yield back to Senator Bradley.

Chairman BOREN. Thank you very much, Senator Rudman.

Senator Bradley, you are recognized.

Senator BRADLEY. Thank you very much, Mr. Chairman.

Mr. Gates, have you had an opportunity to refresh your memory and review the record of the scope of CIA activities, including your own activities in trying to influence Iraqi behavior in 1986?

Mr. GATES. Yes sir.

Senator BRADLEY. Do you deny having been involved in trying to influence Iraqi behavior in 1986?

Mr. GATES. The Directorate of Intelligence and CIA were certainly involved in providing information to Iraq.

Senator BRADLEY. Do you deny being involved in trying to influence the behavior of Iraq?

Mr. GATES. I think we were not trying to influence their behavior, but to enhance their ability to pursue the war.

Senator BRADLEY. Do you believe that you took care to ensure that the CIA was fully compliant with the constraints that were imposed by the NSC?

Mr. GATES. I had delegated most of the—when I was DDI, I had delegated management of the Iraqi liaison relationship to Mr. Kerr. I think he has testified that as DDIC, I was even more distant from it. And I relied on Mr. Kerr and on the Directorate of Operations to ensure that those guidelines were followed.

Senator BRADLEY. So do you or do you not believe that the actions that were taken by the CIA were fully compliant with NSC constraints?

Mr. GATES. I have—I believed that they were compliant.

Senator BRADLEY. Do you deny that the changes in CIA activities in 1986 were significant at the time and not just in hindsight and that they went beyond operations that are solely for the purpose of providing necessary intelligence?

Mr. GATES. I believed at the time that the activities were fully consistent with the understanding and practice of the Hughes-Ryan law then in effect. And as it pertained to liaison relationships.

Senator BRADLEY. And that they were within the constraints established by the NSC?

Mr. GATES. I had no reason to doubt that.

Senator BRADLEY. Do you believe that the changes in 1986 though were significant at the time, not just in hindsight?

Mr. GATES. The change in the nature of the information that was given?

Senator BRADLEY. The change in the nature of the activity.

Mr. GATES. Well, I think the activity basically remained the same. There was a change in the nature of the information.

Senator BRADLEY. And would you consider that significant?

Mr. GATES. I think it was judged at the time not to fall within the rubric of a significant intelligence activity that would be reportable.

I think that given the fact that the original 1984 NSDD was signed by the President, that in this evolving oversight relationship that we have all had for the last 15 years, that that kind of activity would now be regarded by CIA as a significant intelligence activity and presumably would be reported to the Congress.

Senator BRADLEY. Did you ever disclose the full scope of these activities in 1986 at the time they were taking place?

Mr. GATES. The—I have been informed that the staffs of both this Committee and the House Committee were briefed in 1986 and '87 on that information being provided.

Senator BRADLEY. Would you say that your testimony of January 17th before the Foreign Relations Committee in 1987 revealed the full scope of the activities?

Mr. GATES. That testimony talked about the provision of information to Iraq up through and including an offensive on the Fawl Peninsula. It did not go forward—

Chairman BOREN. We've got to be very careful about going into any details about—

Senator BRADLEY. Mr. Chairman, this is just the end. I don't think he has to go into any details in order to answer this.

Chairman BOREN. Please do not go into details in answering. You can generically talk about the kinds of—

Mr. GATES. I did not give all of the details to a non-intelligence Committee. No.

Senator BRADLEY. OK. Now I'd like to move, if we could, to Iran and to the Iran estimate of 1985. We've heard a lot testimony about it. We've had a lot of discussion about it.

And, as you know, the question is really whether the Special Estimate was the strategic rationale for the Iran-Contra affair. And, I mean, that's why we're interested in this. And not only because we're looking at how estimates are done.

And my question to you is—do you recall getting a memo from Mr. Graham Fuller on the 7th of May—the 7th of May memo?

Mr. GATES. Yes, sir.

Senator BRADLEY. Do you recall what it said?

Mr. GATES. Not specifically. It was, as I recall, it was very much similar to the memorandum that he did also on the 17th of May.

Senator BRADLEY. It argued that the U.S. should relax its arms embargo against Iran. Is that not right?

Mr. GATES. I think that's not—

Senator BRADLEY. In order to keep it from going to the Soviets?

Mr. GATES. I think that's not entirely accurate. I think what his memorandum did was lay out in considerable detail his concerns that instability, particularly his memorandum of the 17th—first of all that the Directorate of Intelligence paper in March of 1983—

Senator BRADLEY. But just on the 7th. I'm trying to establish a sequence here.

Mr. GATES. Okay.

Senator BRADLEY. The 7th. The memo on the 7th. Not the NIE but the memo on the 7th.

Mr. GATES. I think he was concerned by the DI, the Directorate of Intelligence paper that had been done in March of 1985 about the growing possibility of instability in Iran even before the death of Ayatollah Khomeini. I think he saw that there was also some evidence that the Iranians were interested for a variety of reasons in trying to improve their relationship with the Soviet Union.

What he laid out was that these events, developments, created the circumstances in which the Soviet Union might be able to take advantage of Iranian difficulties. And he listed several possibilities as ways in which we might try and affect that. One was improving our relationship with—doing more with Pakistan and Saudi Arabia. Another was removing some elements of the Sixth Fleet from the Persian Gulf to try and reassure the Iranians we had no aggressive intentions.

There were five or six alternatives that he laid out. One of them was that the arms relationship and Iran's difficulty in getting arms compared to the Iraqis, created an opportunity for the Soviets, if they chose to sell the Iranians weapons. And that one possibility would be that perhaps we should have the—loosen up so that the West Europeans, and I think he specifically referred, I'd have to go back and look, but I think he specifically referred to the West Europeans, not us, perhaps being allowed to sell weapons that would not have any strategic effect on the outcome of the war.

He acknowledged that all of those alternatives were flawed. But I found that one less flawed than the rest.

Senator BRADLEY. Which one?

Mr. GATES. The one about letting the West Europeans perhaps sell some kinds of weapons to the Iranians.

Senator BRADLEY. So that you knew, based upon the 7th of May memo, that Mr. Fuller's preferred option was to relax the arms embargo?

Mr. GATES. For the West Europeans. Yes, sir.

Senator BRADLEY. Now, he was then put in charge of the NIO, the 17th of May. Right?

Mr. GATES. Well, he then wrote another memorandum on the 17th of May that laid all of this out in even greater detail. And then a National Estimate was undertaken and the drafter of that estimate, as I recall, was the drafter of the March 1985 Directorate of Intelligence paper on Iran.

Senator BRADLEY. Yes.

Mr. GATES. Not Mr. Fuller.

Senator BRADLEY. Right. But you—but Mr. Fuller was in charge of it, right?

Mr. GATES. He was in charge of it. Yes.

Senator BRADLEY. I mean, Mr. Fuller was the person who said no to SOVA, right?

Mr. GATES. He told—

Senator BRADLEY. When SOVA wanted to make its contribution, which was highly skeptical about whether the Soviets were going to make inroads in Iran, it was Mr. Fuller who said no?

Mr. GATES. That's correct.

Senator BRADLEY. So you have this document that you got on the 7th and then a National Intelligence Estimate that is prepared by someone who you know wants to relax—essentially has recommended relaxing on the arms embargo. And the real question is when the NIE was developed, the State Department had certain objections. And you made the call, as you've testified, to the head of INR to persuade him not to put a footnote into the estimate.

Now, was there a reason for your actions which none of us have focused on?

Mr. GATES. There had been a great deal of discussion at the National Foreign Intelligence Board meeting about this issue. And the single focus of debate in that meeting had been on—and I think I've got the information right because I read it just a day or two ago—that the Iranian leadership had a narrowing range of options or a narrowing situation. And we got involved in this discussion about whether to change those words around. And it all had to do with the seriousness of the internal struggle inside Iran.

And we changed the text, as I recall, we changed the text of the memo to try and accommodate INR right at the meeting. And I know that Mr. McMahon spoke out and General Odom spoke out, the Director of NSA at the time. I spoke out. Because we thought that the change that we had made accommodated INR's point. And it did not seem to anybody to be a major issue. And that's why people didn't think the footnote was necessary. And the head of INR was not at the meeting. He was represented by a second or third level official who basically had instructions and no flexibility. He was an instructed delegate. And it was under those circumstances—and Mr. Casey said, let him take the footnote. But it seemed to me that it was—the differences were so scant that I called Mort Abramowitz and I said, look, take a look at this footnote and I don't remember exactly what I told him, but in essence, I tried to persuade him that there was really no difference there. And I was successful in persuading him. And as I indicated in my prepared statement yesterday, Mort's no patsy. And so to persuade him I must have made a fairly compelling case. But it sure wasn't that we don't want any dissents or we don't want anything else.

Senator BRADLEY. No, no. The reason that I was interested was that I wanted you to discuss what might have been the impact of a footnote on others on the National Foreign Intelligence Board? Would its impact have been significant or insignificant?

Mr. GATES. Negligible.

Senator BRADLEY. So that you feel that—but then it occurs to me why didn't you just put it in?

Mr. GATES. I felt that—I usually took two roles as Chairman of the National Intelligence Council. One was in trying to foment disputes so we could have footnotes and differences in the estimates. And sometimes I'd go out and try and provoke fights so we could have that.

And the other was when people did take footnotes, trying to make them sensible. Make them useful to the policymaker. And this was one case where I didn't feel it would be useful. And in terms of the impact of the footnote on the policymaker, I would offer you my own opinion that the footnote wouldn't have had any impact because I don't think the estimate had any impact.

And these guys were not making policy based on what U.S. intelligence was providing them, because the same estimate made clear that there was no interest in Iran in improving relations with the United States.

Senator BRADLEY. Now, in the course of—

Mr. GATES. These guys were getting intelligence from somebody else and it wasn't from the United States.

Senator BRADLEY. But—who was that? Who was getting intelligence?

Mr. GATES. I think that the NSC was getting information about developments in Iran from another source than U.S. intelligence.

Senator BRADLEY. What source would that be?

Mr. GATES. Israel.

Senator BRADLEY. In terms of what, openings? Opportunities?

Mr. GATES. Yes, sir.

Senator BRADLEY. Can you elaborate on that?

Mr. GATES. Well, I didn't know it at the time. This is all—as I've looked at the unfolding of Iran-Contra and the Iran-Contra affair and the history of it and so forth, it seems to me that there was a role here that was played by a country that was interested in continuing to sell weapons to Iran.

Senator BRADLEY. And that was the basis of Iran-Contra?

Mr. GATES. I believe that the discussions between the Israeli, my personal opinion, be clear to make sure it's my personal opinion—

Senator BRADLEY. I assure you this isn't the opinion of CIA. So—

Mr. GATES. It is my personal opinion that Mr. McFarlane's discussions with Israeli officials during the summer of 1985 was what led to the later events. That's my personal opinion.

Senator BRADLEY. Is this an opinion like the Soviet targets in the Third World or the Panama Canal and the minerals of South Africa backed by no evidence or is this an opinion backed by evidence?

Mr. GATES. It's an opinion based on what I've read and what I've seen and by analysis.

Senator BRADLEY. Well, this has been an interesting diversion.

Mr. GATES. So to speak.

Senator BRADLEY. I mean detour. Detour.

Senator RUDMAN. Will the Senator from New Jersey just yield for ten seconds?

Senator BRADLEY. Sure. The last time I yielded for four minutes, it was—

Senator RUDMAN. Well, as a matter of fact, that was my turn but I was happy to—

Chairman BOREN. I'll watch the clock.

Senator RUDMAN. I'll just say to the Senator from New Jersey that if he is further interested in this subject, it is elaborately covered in depositions of the Iran-Contra Committee and there is more than a scintilla of evidence supporting the witness's contention.

Senator BRADLEY. Okay. Now, back to the issue of the NIE.

The NIE essentially established or expressed the concern that there were going to be Soviet inroads in Iran. That's correct. Right? Could be?

Mr. GATES. Said there was a potential.

Senator BRADLEY. Potential for Soviet inroads in Iran.

Now, one of the discussions about this whole issue is whether the estimate in 1985 was a departure from previous estimates and post estimates. What is your own personal view? Was this a departure? Did this raise the possibility of Soviet involvement in Iran more than any intelligence product before and more than any intelligence product afterwards?

Mr. GATES. I think it did, and I think that there were some specific events that took place that were the basis of the judgment at the time.

Senator BRADLEY. What were those events?

Mr. GATES. The only reason I'm pausing is I got in a little trouble the last time we went through this because I strayed over into some classified information.

First of all, you had a Deputy Foreign Minister of Iran in Moscow. So there was clearly an interest on the Iranian side in sending him and an interest on the Soviet side in receiving him and talking to him.

This was—we had taken a step away from the two satans. There was now a differentiation between the satans.

The Iranians had also taken two or three other steps toward the Soviets that I mentioned the last time that we went through this in terms of sending their—conveying to the Soviets their interest in a dialogue and in improving the relationship.

There was also, I think, some talk about some trade arrangements and perhaps—I don't remember specifically, I'd have to go back and check—but there were several developments, some of them reported, I think, in the National Intelligence Daily of this—

Senator BRADLEY. Now, none of those developments—

Mr. GATES. They ended up not leading to anything.

Senator BRADLEY. Some minister that's in—that's gone to Moscow or talk of trade, that doesn't seem to me to be a substantial basis for asserting that there is a potential for inroads in Iran by the Soviet Union.

Mr. GATES. Well, Senator, when you go from having nothing going on in a relationship to having the Ayatollah himself in his name and relatively senior officials beginning to engage in a dialogue or express an interest in developing a relationship, while in the grand scheme it does not mark a strategic departure, it certainly is sufficient, it seems to me, to raise the possibility of an improvement in that relationship.

Senator BRADLEY. Well, so—

Mr. GATES. And besides, as we saw in the early 1980's, the Soviets had been through this once before when they tried to improve relations with Iran and almost lost their foothold in Iraq.

Senator BRADLEY. So that in May, essentially, this is what you—the NIE asserts.

Mr. GATES. That there is that potential.

Senator BRADLEY. That there is that potential.

Now, in June, the Soviets removed the remaining thousand Soviet technicians. They ceased further deliveries of arms. They reaffirmed their insistence that the Iranians negotiate with Iraq.

So, at a minimum, you'd have to say that the NIE in May was just flat wrong.

Mr. GATES. No, I think that the conditions in which the potential still existed for an improvement in that relationship continued to exist for some while.

There were clearly some events that indicated that it certainly wasn't happening right away. And even the estimate in February of 1986 did not—where we backed away from the earlier judgments, both with respect to instability and how quickly the Soviets might be able—or how quickly that relationship might improve, still held open the possibility that both sides would find it in their interest to pursue the relationship.

Senator BRADLEY. So that, as you say, in February what happened was you came back to what had been, prior to the May estimate, the traditional view which was that it was not likely that the Soviets were going to have major potential. So that the fishing in troubled waters—

Mr. GATES. Certainly not in the near term.

Senator BRADLEY. Not in the near term.

Events, May NIE, events in June, there was a change in an official CIA position in January.

Now, what was the official CIA position in January?

Mr. GATES. Well, you have me there. I haven't reviewed those documents.

Senator BRADLEY. Well, let me just—I have something here that I'll just read to you.

This is really from Doug MacEachin. This is the famous swerve memo, right. Which you have basically said is true, that this was a swerve. In which he says—I won't read the section that says swerve since we agree that there was a swerve.

It says the judgment, not just ours but the Community's has been that on balance the U.S.S.R. is unlikely seriously to consider intervening militarily unless the Soviets believe the U.S. is about to do so. Or central power in Iran breaks down. Or a leftist faction seizes power and appeals to the Soviet Union for help.

Now, that is the CIA position in January.

Mr. GATES. But that's talking about military intervention. Right?

Senator BRADLEY. Military intervention.

Mr. GATES. Yes.

Senator BRADLEY. Yes. That's right. It's talking about military intervention.

Now I'd like to refer to your testimony before the Senate Foreign Relations Committee on 17 January. You say, in short, we believe the Soviets remain poised to take advantage of the inevitable instability and opportunities that will present themselves in post-Khomeini Iran—in the post-Khomeini era that is not just in order.

The Soviets, through the proximity of their military might and the covert political and military infrastructure we believe they have been trying to build up inside Iran will have some important advantages.

Where was the evidence of covert political and military infrastructure we believe they've been trying to build up in Iran, if six months earlier they had essentially kicked out a thousand remaining advisors and closed down the Tudeh party?

Mr. GATES. I'd have to go back and look at who provided the information. But the idea that the Soviets would be building—trying to build a covert infrastructure in Iran, I think, no one would disagree with.

Senator BRADLEY. But do you see that the point is the first sentence, not the second: We believe the Soviets remain poised to take advantage of the inevitable instability?

Mr. GATES. Yes.

Senator BRADLEY. And then the Committee judge—the Agency judgment that on balance the U.S.S.R. is unlikely to seriously consider intervening. Do you see it?

Mr. GATES. Militarily.

Senator BRADLEY. Do you see any contradiction there?

Mr. GATES. No. I don't Senator. It seems to me that what that is saying is that by virtue of the intimidating effect of forces on the northern border of Iran, the likelihood that they had the opportunity to build a covert infrastructure, that they were in fact positioned to take advantage of instability should it occur.

It was making no judgment on whether the Soviets were going to actually invade. We had information that the Soviets had in fact—I don't want to cross the Chairman's and my own line here in terms of classification—but we knew that the Soviets had contemplated contingencies for military action. And—but that Foreign Relations Committee testimony in no way is saying that the Soviets are going to invade militarily. I don't think anybody believed that.

But what it is saying is that for a variety of—because of a variety of factors, they were in fact well poised to take advantage of instability.

Senator BRADLEY. And that they had a covert military infrastructure?

Mr. GATES. Yes sir.

Senator BRADLEY. OK.

When you gave this testimony, do you believe that you had access—you had all the materials? One of the charges in this process was that you were provided with materials that essentially raised the red flag and that these words don't reflect that.

Mr. GATES. I think that the only—I would have to go back and look at the briefing paper that was provided as an addendum to what was sent forward. But I think that it focused solely on the dispute that had taken place the previous May in terms of the ability and likelihood of the Soviets moving—getting a near-term advantage in Iran.

Senator BRADLEY. Right. And essentially you were asserting that they were still. And the real question is: Were you reflecting CIA opinion when you said that or were you reflecting more your own opinion?

Mr. GATES. Well, as acting Director, I don't know whether I actually prepared that testimony or not. I had a lot going on at that point. Early January is a fairly busy time. So I don't know whether I drafted that or not.

Senator BRADLEY. OK. Well.

I don't think that we've been able to get the public transcript of that. I mean, my understanding is that the transcript of the Foreign Relations Committee has not been declassified. I think that

the Committee has had access but I don't think it has been declassified.

So, could we get them to declassify—

Chairman BOREN. We have it in classified form. And, of course, it is available to you.

Senator BRADLEY. Is it available publicly?

Chairman BOREN. It has not been fully declassified yet as I understand it. We have it available to us.

Senator BRADLEY. Will it be?

Chairman BOREN. We will make the request to the Foreign Relations Committee. We have to go through them as well, but we will make that request.

Senator BRADLEY. OK, if we could do that Mr. Chairman, I would appreciate that.

Now, let me just come back to one last point on this. The NIE clearly was a difference. It was an anomaly. It was a swerve. It did assert things different from things that came before and afterward. It asserted that there was a much better chance for Soviet inroads in Iran. And that clearly was the strategic rationale for what happened with Iran-Contra. Wouldn't you agree?

Mr. GATES. No sir, I wouldn't.

Senator BRADLEY. Well, in your—you wouldn't agree at all?

Mr. GATES. I think that the primary motive for the opening to Iran, as I look back on it—and I have to admit that I know more now than I did three or four or five years ago—but I believe the primary motive was to get the hostages out. And that the other considerations were secondary.

Senator BRADLEY. Well, let me read to you from your testimony before the Foreign Relations Committee.

It is our understanding that this threat was in fact one of the animating factors for the Administration's initiative.

Mr. GATES. That was because that's what the Administration was saying at that time. And I repeated it.

But that was before the Iran-Contra Committee investigations. It was before a lot of stuff hit the record, Senator. And I think that it's after all of that other information has become available that the motives became clearer.

Senator BRADLEY. So you were basically speaking the Administration's line, basically? I mean—

Mr. GATES. Well, I was reporting on what the Administration's policy was.

I was saying I was addressing what their motive had been.

Senator BRADLEY. So that their—

Mr. GATES. So quoting them as to their motive seems reasonable.

Senator BRADLEY. Their publicly stated rationale was the inroads in the Soviet Union. Soviet Union's inroads into Iran.

Mr. GATES. And the opening opportunity for an opening for a dialogue to Iran.

But let me go back to this swerve question, Senator Bradley, because I think it is important to note that there was not only a swerve in terms of the Soviet issue, there was also a swerve in terms of the likelihood of internal instability before Khomeini died. And that wasn't just the NIO that was in the Directorate of Intelligence's memorandum of March. So all I'm trying to say is that the

memo itself, even beyond just the Soviet part of it, represented in effect a bump in the analysis.

Senator BRADLEY. Even though the Iranian section in the State Department wasn't making a contribution to this? I'm not disputing just the Iranian, my interest is the Soviet because it is the Soviet that is the rationale.

Well, you can see here we are, we are kind of left with this. You, in the testimony, say that it was one of the animating factors for the Administration's initiative. In retrospect, you think it was not. There were other things that you didn't know about. Is that right?

Mr. GATES. Well, Senator, I'm just saying that we learned a lot about what the Administration's motives and what people were trying to do in the course of the investigations in 1987.

Senator BRADLEY. So you were basically repeating what the Administration—

Mr. GATES. Was saying at the time had been its motives.

Senator BRADLEY. And it was clearly wrong, in your view?

It was clearly factually wrong?

Mr. GATES. Well, I think that it—I think that there was probably a mix of motives. But I believe that the desire to get, after all of the investigations and all the work that's been done on Iran-Contra, I believe that the primary motive was to get the hostages out.

Senator BRADLEY. You said it was mixed. There were others?

Mr. GATES. Well I think that these political motives, and maybe they were kidding themselves, I don't know—but I think that in the back of people's minds and Poindexter's mind and McFarlane's and perhaps President Reagan's was the thought that there would be some political benefit in an opening to Iran. But, again, I think that was not the primary—based on everything we've learned since, that was not the primary motivating factor.

Senator BRADLEY. And, so you were reflecting Administration views, not CIA views? Are they the same?

Mr. GATES. When I was describing what the Administration's motive was, I was citing the Administration.

Senator BRADLEY. But when you were citing the possibility—the greater possibility of inroads, you were citing the CIA's line?

Mr. GATES. Yes.

Or the Intelligence Community's line.

Senator BRADLEY. It gets pretty complicated, doesn't it?

Mr. GATES. Yes sir.

Senator BRADLEY. You come up here and you are giving—well, whose line are you reflecting? The CIA, the Administration, your conscience, what you might know. It's pretty tough.

Mr. GATES. Well, Senator, I think it was pretty clear in that testimony. When you are talking about what the Administration was trying to do, you are obviously reflecting what they said they were trying to do.

Senator BRADLEY. No, I'm actually on to a slightly different subject now. And it's a very difficult position to be in. Where you found yourself in December, January of 1986-87.

As you say, you were—there was the CIA line you had to deal with in terms of the substance, in terms of what it meant. You had

to deal with the Administration line. Is that just normal or was it a particular time of stress or concern?

Mr. GATES. No, I think that you, often in this business have to be aware or know what Administration policy is in dealing with these kinds of questions. I have to admit that it was not unknown to me in appearing before this Committee and its House counterpart when I was Deputy and DDI to get questions about the policy. That's why whenever we can, we try and drag somebody from the State Department up here with us.

Senator BRADLEY. So that you could just give the facts and they can give the policy?

Mr. GATES. Well, we can try.

Senator BRADLEY. Yes. Well I will attest to the fact that that is the way it's done most often.

I'd like to move now, if I could, to the Soviet Union.

Yesterday, we had at the end a series of exchanges—and I thought that they were very productive exchanges, frankly. We began by me reading back to you the quote where I was saying in a hearing, why don't you try to do a little unconventional thinking, what if there is a change in the Soviet Union to which you responded, well, it's idle speculation. Six months. You thought about it. You drafted this memo that indicates that there were a lot of questions in your own mind. And I then asked you what you did. And I said that if anything occurred to you overnight that you wanted to elaborate, you could discuss it today. Now I want to ask you, did anything occur to you overnight that you want to elaborate in terms of what you did to try to provide policymakers with some material in case—some analysis of alternatives in case the unthinkable at that time occurred, which was the end of Communism in the Soviet Union?

Mr. GATES. The first thing I did was—I've checked with people at the Agency and what I've come up with, the first thing I did was insist we—and this all took a lot longer than it should have, but I insisted that we try and have a conference in which we would bring in people from all around the government and all of the outside experts that we could lay our hands on or that would be appropriate for such a conference, to look at alternative Soviet futures.

Senator BRADLEY. And when was that?

Mr. GATES. And unfortunately that conference took almost a year to put together and did not take place until November of 1989. And there were a number of scholars, a number of papers came out of that conference addressing all of the alternative scenarios for the Soviet Union for the next twenty years.

But then the record, I think, of the Agency in looking at these alternative futures during the intervening time between that conference and the revolution this summer is a pretty creditable one.

There was a national estimate in November of 1990 on the depending crisis in the Soviet Union. Another in June of 1991 on the implications of alternative Soviet futures. Another one this September on the Republics and where they were headed. Between November of 1985 and April of this year, there were a dozen different papers on the futures.

So I think that the Agency really, and the Intelligence Community, provided quite a lot to the policymakers. And I would say that the latest—and your question to me was, what did the President have in his hands when it all fell apart?

Senator BRADLEY. Right.

Mr. GATES. And what he had in his hands, the most recent thing he had in his hands that thoroughly examined that, was a memorandum of 25 April in which the alternatives were examined of a coup, of broadening democracy, or of a much more gradual process.

He had another memorandum from May of this year talking about—and the conclusions—the one major conclusion is worth repeating. It said that the Soviet Union was in a revolutionary situation. That the current system was doomed and that the conditions existed for a rapid change in the regime or in the system.

Senator BRADLEY. OK.

Mr. GATES. So I think that the record of preparing and having some of these alternatives and looking at these futures is not a bad one from the Agency's standpoint.

Senator BRADLEY. There are two aspects of this question. And you have covered one. And that is, did you anticipate or catch the emerging developments in the Soviet Union?

And in 89, in 90 or 91, as you have cited, there are reports that clearly indicate change. None of which actually predict precisely the change, but they do intimate change.

But the purpose of the exchange we had in 1986 was to find out where was your assessment. Was there going to be a dramatic change in the Soviet Union? But as important, what were we going to do if there was a dramatic change in the Soviet Union?

I mean, you know, and so the real question is, the change in the Soviet Union comes, and that means that our policy toward the Soviet Union has to change, being informed of intelligence. The question is, if you predicted some of the things, if you got hints of some of the things, what did you put on the President's desk to say, look, the way you move from a Communist state and a state economy to a market oriented capitalistic economy are the following five paths. These are the political, economic, cultural, national, military ramifications of that. Was that done?

Mr. GATES. Well, now you are asking me in my current job, what did the policymakers do with the intelligence that they were provided.

Senator BRADLEY. Well, because the question is really——

Mr. GATES. About me.

Senator BRADLEY. Right.

Mr. GATES. OK. In September of 1989, I formed a contingency planning group that included Conde Rice of our staff, the NSC staff, and representatives of—Paul Wolfowitz, Dennis Ross from the State Department, and I think Fritz Ermarth from CIA, to in fact begin doing contingency planning about what would happen in the event of radical change in the Soviet Union under several different scenarios. And that contingency group continued to meet off and on right through the present. And in fact the April paper that I described for you that talked about these alternatives and so on, was in fact prepared by that group.

Senator BRADLEY. So let me ask you this. As the Director of CIA, do you feel it is within your area of responsibility to task some of these extremely competent professionals, you know, that I've had the benefit to learn from and the Committee and others, to anticipate and think about alternative paths. To actually think about not just what is happening, but how one might affect change. How one might negotiate the troubled waters that we now find ourselves in with the end of Communism. Ironically.

Mr. GATES. This question is one interestingly enough that I've probably had more discussions with Secretary Shultz about than anybody else. And it is what we called opportunities intelligence.

And the danger—yes, it's a useful thing to do and it's a good thing to do. In a way, you could say that Graham Fuller's memorandum of May 17th was opportunities intelligence. Here's the situation, here's the possibilities.

Senator BRADLEY. It depends on whose opportunities you are talking about.

Mr. GATES. But the point is that there is also a danger and it is the same danger that lies in that May 17th memo. And it is that opportunities intelligence begins to look a lot to a policymaker like CIA trying to tell them what to do. It looks a lot like CIA making policy recommendations.

Secretary Shultz was a lot more comfortable with that, as I recall, in the economic arena than he was when it came to the Philippines or Angola or places like that.

But, it is a legitimate subject. But it's a tough one. Because it really is right on that line between policy and intelligence, if you start talking about the things that might be done by the United States to deal with these kinds of questions. And I am willing to work that problem, if I am confirmed. But I just want to underscore that it's a tough one and it's a controversial one. And it also puts the policymakers' teeth on edge.

Senator BRADLEY. So your view is, you know, the two ways that CIA goes, the dragnet way, just the facts ma'am, or the kind of visionary way, look, these are the possible ways that you can actually influence events, which is your choice?

Mr. GATES. No. I think that there's a middle ground. And I think it's the ground where you raise flags. And I think a good example of it is the work that Judge Webster did on proliferation. In terms of trying to force the policy community to come to grips with this. And I think the Intelligence Community did the same thing with technology transfer back in the early 80's. So you don't have to prescribe the policy, but if you keep hammering on the policymakers and telling them they have a problem, then maybe somebody will do something about it.

Senator BRADLEY. So, prospectively, this is an area that you'd like to at least explore?

Mr. GATES. It's worth exploring. But it's one that I think needs to be explored with the full involvement, in my opinion, of the Oversight Committees as well as the policymakers downtown because it does tread on this line. And I think you've got to be very careful.

Senator BRADLEY. I just have one or two more questions on the Soviets.

One is in terms of the policy in the mid-80's, what was—you felt that you really tried to get an alternative view? I mean, for example, I have—I mean there was a story in the paper today about a 1986 meeting at the White House with Andrew Marshall, Henry Rowen, Vladimir Treml, Charles Wolfe, who were put together to think about the burden of Soviet defense and the Soviet economy.

Mr. GATES. . . .

Senator BRADLEY. Did you commission that group in your position at CIA?

Mr. GATES. What I commissioned Senator, was around 1983 or sometime—

Senator BRADLEY. 1984.

Mr. GATES. I'm sorry?

Sometime in the early 80's the President's Foreign Intelligence Advisory Board had a major review of CIA's work on the Soviet economy. They brought in all kinds of people. And it was done, they had a very large panel and they called a lot of witnesses.

They found some technical problems with CIA's work but basically they endorsed and were concerned—and I remember clearly that one of their concerns was that CIA seemed a little too pessimistic about the Soviet economy. And Harry Rowan, who had then left as Chairman of the National Intelligence Council, came to me and said that he thought CIA's work was too optimistic. That in fact the burden was greater and we ought to look at that.

So I let a contract, or authorized a contract for Harry to gather a panel of experts that he could choose—and I think Charlie Wolfe was on his panel and I don't remember who else was—to look at the question, is CIA too optimistic about the Soviet economy?

And I think he had five or six people on the Panel, and it worked for a period of time and they issued a report to me that was basically split. You had—and I don't remember who was on what side, except that Harry was the most convinced that we were underestimating the burden. And that the burden of empire was much greater than our statistics showed. I think in retrospect he was right.

The others were split. Some thought CIA was about on the mark. Some thought there were some technical problems and so on. But it was a diverse kind of reaction or conclusion. There wasn't a kind of unified view. And I had them share that. But I had lots of problems with their work on the Soviet economy. I kept trying to get them to talk to some of these Soviet emigre economists. And they would finally kind of knuckle under to my pressure, all this intimidation and stuff.

Senator BRADLEY. You mean people like Berman?

Mr. GATES. Yes. Igor Berman, specifically was the one that I wanted them to talk to, and I think they finally did talk to him, only after I raised the issue a couple of times.

Senator BRADLEY. Anders Esalin?

Mr. GATES. I don't remember who all. The one I remember specifically is Igor Berman.

Senator BRADLEY. And you think their work reflected their views as well.

Mr. GATES. Not to my satisfaction, Senator.

Senator BRADLEY. Because Mr. Berman basically said in a memo, I think the memo or letter to you in 1984 the following: If the economic system is not radically changed the economy will not muddle through the 1980s but will reach zero and then negative growth. In contrast to cyclical western economies this will not be followed in a few years by a return to positive growth. It is precisely economic difficulties and the need to justify them which will force the Kremlin to be so hostile to us.

Now, what he was saying here is that they've got big problems. Mr. GATES. That's right and that's why I wanted SOVA to talk to him.

Senator BRADLEY. You were saying that you commissioned a group and you felt the group more or less agreed with what he said.

Mr. GATES. I think that's fair.

Senator BRADLEY. The real question that I have—and I think this was really good work, and I say that honestly, directly—why wasn't this view then reflected in estimates? On defense procurement? On a variety of other things that would flow from the Soviet economy being smaller than we thought and the military budget being a bigger part of that smaller economy? Is there a reason?

Mr. GATES. I think—I'm being partly flippant here, but partly because I wasn't intimidating enough. I had a problem throughout the early 80's with CIA's work on the Soviet economy. Now, I will say in their defense that they wrote a lot of papers and did a lot of analysis showing that the Soviet economy was in trouble and was in a steady decline. And there were a lot of papers done on sectoral problems such as transportation and communications and so on. So CIA cannot be faulted for not having underscored economic problems in the Soviet Union. But it basically was a slow decline.

Now my problem—I had two problems with their economic work; and, not being an economist, I didn't have a lot of tools for that battle of wits. Part of my problem was that they, in my view, had imposed a western oriented statistical model on an economy that was not really an economy. It was a political economy. And the western model didn't fit. And therefore, it seemed to me, that with the falsification of data at every level in the Soviet system, the Soviets themselves didn't know what their economy looked like. Akhromayev admitted to Admiral Crowe they didn't have the faintest idea of what they spent on defense because it was all disaggregated and so.

And I had the problem with this statistical thing, but it had been going for twenty years and all of the major establishment economists in the academic community and in think tanks basically accepted that same model. And used it. And frankly it was used with the Joint Economic Committee up here. But that model was the basis for it. So that was my first problem—a statistical of an economy that didn't bear any resemblance to a real economy.

The second problem I had was on estimating Soviet defense costs. It seemed to me particularly when it came to putting a dollar value on the Soviet defense effort that the entire effort was a waste of time. It is irrelevant what it would cost McDonnell Douglas to build a MIG 29. What is important is what does it cost the Soviet Union? And how does it burden their economy? So I tried to stop

it. I actually succeeded in stopping the dollar costing for about three months. Then between the specialists in the office and the Department of Defense—the dollar costing effort has been started by Secretary McNamara as part of his posture statements in describing what the Soviet level of effort had been. And that effort had gone on also for twenty some years.

So the point is that when it came to these statistical or quantitative analyses of the Soviet economy, I had a lot of problems and I would try to get them to talk to people like Igor Berman and other defectors and emigres. And they would talk to them generally, grudgingly and so on. But they basically, if they had a radically different approach—you know on the defense spending, Bill Lee of DIA and others—but the point was that it was very difficult to change an analytical model that had been in place for a generation, and frankly I wasn't prepared to push the system so badly out of shape as would have been required to basically turn that system on its head.

Senator BRADLEY. Even if you sensed that these people had some potentially important, very important, decisive information?

Mr. GATES. And I pushed them onto SOVA and I asked them to take their views into account and to listen to them and hopefully take them seriously, and I did not make much headway.

Senator BRADLEY. So that basically, getting back to the way we began which was the quote and then your memo, response, saying these are things we ought to look at, my question is what did you do? Here you have a memo from Berman that I've read, you've expressed admiration for them. We all know that their estimate was much more on target than that which we had. You sensed that. What did you do to try to make that a part of the CIA analysis upon which billions of dollars were being spent?

Mr. GATES. I pressed the Soviet office to sit down and spend time with these people and to try and reflect these alternative views, and I did not succeed.

Senator BRADLEY. In retrospect would you do anything differently?

Mr. GATES. Well, given the fact that for the last week I've been accused of man-handling the system and pushing the analysts around, I'm not sure. I mean here's a case where I didn't push hard enough. I pushed pretty hard and they will attest to the fact that I pushed them. Mr. MacEachin sat here at this table and talked about some of the monumental fights he and I had and these were some of the subjects.

Senator BRADLEY. I've heard about them. I've heard Mr. MacEachin talk. But the question is really, does this problem still remain?

Mr. GATES. I think getting the Intelligence Community to reflect alternative views and particularly the views of experts outside the government is a continuing problem and it's one that the next Director is going to have to address. And I think it gets back, if you don't mind, to Senator Nunn's question earlier this morning on how we structure these estimates in the first place. And maybe if you change the way the system works, the way in which you put these things together, then maybe you can create an environment

in which some of these alternative views can be reflected more easily.

Senator BRADLEY. Thank you.

Let me if I can go quickly to the Iraq period 1989-1990. Very quickly. This will be three or four minutes. Maybe, the question, in 1988, we went over this a little bit earlier, in 1988 the Iran-Iraq war basically ends and resources—intelligence resources I think you said then shifted away from Iraq. Is that correct?

Mr. GATES. I think they were, to a degree. Yes sir.

Senator BRADLEY. And that was done in part because of an intelligence estimate that said they weren't a threat to other Arab states in the region?

Mr. GATES. The only estimate on Iraq that I recall was one done in the spring of 1990. I may have the date wrong but I think it was more the fact that during the course of the war, because of limitations on our coverage, there were a number of targets we had been unable to cover adequately, and I think there was a desire to cover some of those and rebuild our databases. Particularly on the Soviet Union.

Senator BRADLEY. But the Iraq military wasn't demobilized?

Mr. GATES. No sir.

Senator BRADLEY. They were making overtures again to terrorists, right?

Mr. GATES. Yes sir.

Senator BRADLEY. They were clearly pursuing strategic nuclear technology worldwide? Is that correct?

Mr. GATES. Yes sir.

Senator BRADLEY. The real question is, do you think that was wise in retrospect?

Mr. GATES. I think given the judgment on the part of the analysts that for a period of several years, Saddam Hussein and the Iraqis would be focused on re-building internally—

Senator BRADLEY. That was the Intelligence Community's view?

Mr. GATES. Yes sir. That was in a National Estimate.

And given the competing priorities for coverage, that it was not an unreasonable change of priorities.

Senator BRADLEY. When you were Deputy National Security Advisor and Chairman of the Deputy's Committee, did you think that it would be important to challenge that view in any way? Challenge the consensus on the Intelligence Community in say late 1989 and first half of 1990? The Intelligence Community basically saying no, they're not going to invade, they're not going to invade another Arab country?

Mr. GATES. No sir. Because that was not only the view of the Intelligence Community, it was the view of all of our Arab allies as well.

Senator BRADLEY. But again, thinking about the unexpected. The Soviet Union. Thinking about maybe the end of communism here, thinking about well, the intelligence estimate says—but, what if? That didn't occur to you?

Mr. GATES. I think you can do "what if" analyses, but if you have a finite amount of satellite resources and you have problems in the Soviet Union or Eastern Europe or competing arms control prior-

ities, you can do a lot of alternative thinking that may end up not having any concrete impact on how you re-allocate your resources.

Now, we were—I think it's fair to say, and I'm sure there's somebody out there just like with the fall of the Shah who predicted this invasion. But the people that—

Senator BRADLEY. I think it was Senator Boren. I'm not sure. [General Laughter.]

Mr. GATES. The people that we were in touch with and the policy community and so on, no one was suggesting the likelihood of Saddam Hussein engaging in another aggression.

Senator BRADLEY. So in your position as Deputy National Security Advisor and head of the Deputy's Committee you don't think you should have asked, say in early 1990, how Iraq might use force to secure its objectives in terms of territory, debt, oil?

Mr. GATES. Well, I could have. I did not.

Senator BRADLEY. Do you think you should have?

Mr. GATES. Well, hindsight being a perfect science, probably I should have.

Senator BRADLEY. Mr. Chairman, that concludes my questions.

Chairman BOREN. Thank you very much. I know you have some more questions you want to ask in closed session, and we'll be handling those classified matters then.

Senator Nunn?

Senator NUNN. Mr. Chairman, I have just two or three questions.

Mr. Gates, I'd like to show you a chart that the staff has given me to help me sort of understand the organization of the CIA and see if this is a correct chart?

Chairman BOREN. I don't think it's classified. It's not comprehensible let alone classified, I don't think.

Senator NUNN. That's, as I understand it, the CIA as it existed after Mr. Casey took over in the early 1980s. Does that reflect accurately?

Mr. GATES. Yes sir. I think that's fair.

Senator NUNN. You see over there the NIOs in that box over there that go directly to Mr. Casey, National Intelligence Officers. Would you explain what those people's functions are?

Mr. GATES. Their basic function was to oversee the preparation of National Intelligence Estimates that would be produced in their specific areas of responsibilities.

Senator NUNN. And how many of them are they?

Mr. GATES. About a dozen.

Senator NUNN. Now I don't understand the difference between those people and the Deputy Director of Intelligence. All those people doing this work are under the Deputy Director of Intelligence, are they not? The staff and all the people doing the analysis, the Soviet Office, all of that?

Mr. GATES. They are separate from the National Intelligence Council. The basic structure is that you have—and I think the easiest way to understand it is by remembering that the Director and the Deputy Director wear two hats. They are both the Director of Central Intelligence and Deputy Director of Central Intelligence in the sense that they oversee the entire Intelligence Community of tens of thousands of people. And they also are the Director and Deputy Director of CIA. Now the Directorate of Intelligence with

the Soviet Office and the Near East Office and so forth come under them in the context of their CIA hat. The National Intelligence Officers come under them in connection with their Intelligence Community responsibilities. And the NIOs are responsible for putting together community assessments of various issues. And so there would be occasions when the Directorate of Intelligence, for example, under NCIA, would take a footnote to an estimate prepared by an NIO and approved by the Director or me or McMahon and so on.

Senator NUNN. Where was that NIO group before Director Casey took over? Were they under the DDI or were they always separate out there?

Mr. GATES. They were always separate, Senator Nunn. They were created, I think in 1975 or thereabouts by Director Colby, replacing the old Board of National Estimates that also reported independently to the Director.

Senator NUNN. They're supposed to be a consulting group or are they supposed to be really a part of the chain of command? That's what is puzzling to me.

Mr. GATES. They are not part of the chain of command. They are independent in the respect that all of them—well, they are in a very awkward position in this respect.

Senator NUNN. That was my conclusion when I looked at that chart.

Mr. GATES. They are independent of CIA and they are community officers. But to a considerable degree they depend on CIA analytical resources to help do their work. And this was my reference yesterday to CIA drafting half of the estimates.

Senator NUNN. They've got to reach down and get all of the people who work for DDI to do their work for them, don't they?

Mr. GATES. Well, not all. Only about half of the estimates were done by the DDI. We work very hard to try and get other agencies to be the principal drafters, DIA, INR and the others. And we made some headway with that. Clearly about half were done by the latter.

Now we also had a small analytical group of senior analysts that worked with the National Intelligence Council that was part of the National Intelligence Council, and they would occasionally draft estimates as well.

Senator NUNN. But the NIOs really don't have people working right under them, do they? They've got to reach somewhere and get those people. They've got to reach into DDI's territory and get them, or reach over to NSA or DIA—

Mr. GATES. Yes sir, that's right. DIA or—

Senator NUNN. So basically they're the top advisors to the Deputy and to the Director of the Intelligence Community—

Mr. GATES. Yes, sir.

Senator NUNN [continuing]. And yet they have no real staff working directly for them but they have the access to all the staff.

Mr. GATES. That is correct.

Chairman BOREN. Can I ask one question? How do they secure cooperation? I gathered they're housed at CIA?

Mr. GATES. I'm sorry?

Chairman BOREN. The NIOs are housed at CIA?

Mr. GATES. Yes.

Chairman BOREN. How do they get cooperation from the CIA people, in the DDI especially? If you go to another agency like DIA, NSA, or INR or whatever, how do you get them to cooperate? As Senator Nunn was saying, they're really nobody's bosses and yet they're called upon to task other people to do their research for them.

Mr. GATES. They have the charter of the Director to do these estimates. They also depend heavily on the goodwill of the senior managers of the different elements of the Intelligence Community.

In fact some of the most intense discussions that Mr. Kerr and I had when I was both DDI and Chairman of the NIC and he was my Deputy as the Associate Deputy Director for Intelligence, was how much of the resources of the Directorate to the likes of Larry Gershwin and other folks in the preparation of these estimates. And I was prepared to be fairly forthcoming in that regard.

Senator NUNN. We've already heard about the division between operations and intelligence, but it seems to me that there has got to be a kind of natural in-bred rivalry between the NIOs and the DDI. Is that right?

Mr. GATES. Yes sir.

Senator NUNN. Is it a healthy tension or is—is it a healthy competition, or is it a destructive competition or does it vary from case to case?

Mr. GATES. It varies to a degree. I've always believed that it was fairly healthy. I've always believed that the dialogue between the likes of a Fritz Ermarth or Bob Blackwell and the analysts in SOVA and the other analysts in the community is a healthy thing. The same way between Larry Gershwin and the other elements of the community including the DI. I've always felt that kind of debate, that kind of dialogue, that kind of independent discussion was a healthy thing.

Senator NUNN. Have you ever seen any other kind of organization like that in either the business world or the governmental world? Because I don't think I've ever seen anything quite like it. I've seen wise men sitting up on a block advising people off to the side, but never wise men who basically could control the whole community and basically had nobody working for them and yet everybody working for them. It's a strange thing.

Mr. GATES. It was a challenge for them because to a very considerable extent they had to elicit the voluntary cooperation of most of these elements of the community. And having been an NIO myself, that's not a small undertaking in terms of how you're dealing with people.

Senator NUNN. Right now your basic feeling is that that process is working more or less.

Mr. GATES. No sir. I think that the process—

Senator NUNN. The organization is what I should have said.

Mr. GATES. As I indicated in our brief earlier discussion I'm worried about—I've got to be careful here. I got a call last night after my discussion of division of labor and maybe conventional forces being done over at DIA, and now everybody in the Theatre Forces Division at CIA is worried they're going to lose their jobs, so I've got to be careful about this. But I think—it is my personal opinion

that the estimates, the National Estimates, particularly those on political and economic issues, do not have the kind of relevance and immediacy to policymaking and do not afford the kind of array of views that are necessary for the policymaker. We've had the current structure in place for sixteen years now and in my view it's time to take a look at whether this is the optimum structure and whether we need to change the way we go about doing this. And I don't know whether you go back to a Board of National Estimates, or whether you come up with something entirely different than both of these things. But we have to figure out a way where it doesn't take months to get an estimate done for the most part—there are exceptions, but that is mostly the case. Where we can get them done faster, that they can be more relevant. That the policy makers depend on them more and look to them. And in a system where we can array views in these things, more than is the case now.

One of my problems with footnotes in estimates is that they are almost always on trivial little matters of detail, of technical detail. Not somebody stepping back and saying this whole thing stinks. And I'll give Mort Abramowitz credit, more than anybody else—and I mentioned a couple of estimates yesterday, where INR took a dissent. Mort was more willing to step back from an estimate and say we think this overstates the whole problem than any of the other managers of the Intelligence Community. And what we have to figure out is a way to encourage that and build on it and make the others do it.

And I'll tell you one of the problems we've got right now, and its another problem that the new DCI is going to have to address. And that is the degree to which the military intelligence organizations come in in essence at the National Foreign Intelligence Board, vote their stock as a block. The Military Intelligence Board meets before the National Foreign Intelligence Board, they decide what they are going to do on an estimate and they all come in and vote the same way. And I would like to have a situation where if there is a difference—

Senator NUNN. They never do that in the Pentagon. I'm glad to know they do it someplace. [General Laughter.]

Mr. GATES. I'd like to find a system whereby if the Director of DIA and the Director of Air Force Intelligence have a different point of view, that there is more openness in the system. And I am sure there are exceptions that will prove me wrong, but fundamentally, I think that there needs to be some way to open up this process. And I think it is going to require a structural change. And I think that the way to go about that is to get the people in the community—and if you give me just one more minute because, I think this reflects my approach to how we ought to make change.

I think that the change that we are anticipating in the Intelligence Community is so vast, that there are going to be some very real potential personnel and resource related questions. People's lives are going to be involved. And I mentioned the first day of these hearings, one of the most important things I learned from Judge Webster was a more corporate style of management in the respect that you set the objective and then you ask the people in the organization or in the community to come up with alternatives,

so that they feel they have a role in shaping what that future is going to look like.

The changes that Admiral Inman, and I, and Director Casey brought about in the DDI in 1982 were imposed from above. On reflection, I think that probably still had to be the case. But I think that the kinds of change that we are looking at now require more of the Judge Webster kind of approach to change, where the people in the organization are involved and offer their ideas.

So when I talk about changing the structure for doing estimates, I think it is something that the community itself ought to look at. We ought to look for other people's ideas, but they need to be involved in that process.

Senator NUNN. Well, I think that that organization itself, plus the trying to arrive at one common intelligence view and as we said earlier, squeeze it all into one tube with players all over town, and particularly with an organization where you've got the super chief sitting up here with no staff dipping into the whole bit, I just don't see how it works, frankly. And maybe it doesn't work. Maybe that is part of the problem. And I am hoping that those issues can be addressed.

I am sure CIA has been right and the Intelligence Community's been right a lot of times, but if we look at what all the critics are saying about the 1980s and then we look at what you say about the 1960s and 1970s, as you said in your earlier 1982 speech, I believe you said the things that were problems outweigh the successes, at least that was the implication. And yet I know there are a lot of successes and we see many of them that can't be talked about because they are classified.

Let me ask you one other question. You outlined here your plans to address the whole issue of politicization—and this was in your opening testimony—you list 8 different steps you would take. Did you do any of these things when you were in the top positions, both Deputy and Acting Director, and also DDI? Did you take any of these steps then? Or is this something that is new?

Mr. GATES. Several of those steps I took at the time. Certainly in that 1982 speech, I indicated to analysts that they were encouraged to send me independent memos if they felt that their views were being discouraged or that their point of view wasn't getting across, or that they felt Agency publications were not expressing the full range of views.

I took steps to try and encourage an open environment in terms of the weekly meetings that I would have with analysts every week, or virtually every week that I was in town as DDI, I would meet with analysts with a different branch and try and encourage a dialogue and open up the situation. I spoke in the auditorium to all analysts once a year for the first couple, three years I was DDI and then relied on newsletters. I tried to talk about these problems of politicization and convey the view about integrity and objectivity and I think that in the—you have one of those in my interrogatories, the statements that I made in 1985 on politicization.

So in terms of the kind of encouragement of an open environment and an effort to try and deal with these problems, several of those measures that I indicated yesterday I did try to put into practice when I was DDI.

Senator NUNN. One final question, Mr. Chairman. Yesterday, you testified I believe in answer to a question by Senator Murkowski that Doug MacEachin made the decision to remove Mel Goodman as the Third World Division Chief in the Soviet section. Is that correct?

Mr. GATES. Yes, sir.

Senator NUNN. In answer to my written question asked by Senator Boren late last Wednesday night, he asked a question on my behalf, Doug MacEachin testified that you told MacEachin you thought new blood was needed in place of Mel Goodman, and you gave Mr. MacEachin a list of 3 possible replacements for Mr. Goodman. MacEachin also testified that you felt that Mel Goodman should be removed from the Soviet section altogether, although you eventually agree with MacEachin's proposal to make Goodman the senior analyst in the Soviet Section front office.

Is Mr. MacEachin's account correct? Or is yours?

Mr. GATES. After taking this question yesterday, Mr. Chairman, I—or Senator Nunn, I talked with Mr. MacEachin last night and here is the scenario that he described to me. He came to me with the argument that he believed that the Soviet office needed to be reorganized. He wanted to install a new level of management called groups that would be between the office director and the divisions chiefs. He proposed four of those groups. One of them was on regional issues. And that included the division where Mr. Goodman was then the chief. He came to me and said that he had to reorganize SOVA and he said for the good of the division, he believed that Mr. Goodman had to leave and laid out the reasons why. And he said that Mr. Goodman was fighting with everybody on the 7th floor—not just everybody on the 7th floor—but everybody in the building.

And I said, according to Mr. MacEachin, that I thought that that was right, that I thought there was a kind of a poisonous atmosphere. And I asked him whether or not Mr. Goodman ought to leave the Soviet office altogether. And Mr. MacEachin at that time said no and explained his reasons why, and I concurred in that decision to leave Mr. Goodman in the office.

He also reminded me that when he had first appointed Mr. Goodman to be the division chief, that I had told him I thought that was a mistake; but that if that was his recommendation, I would let him go ahead with it. So he did not follow my recommendation and I did not impose a decision on him.

Senator NUNN. You approved it, but you didn't approve—

Mr. GATES. I approved his appointment as the division chief. And Mr. MacEachin later concluded that it had in fact been a mistake and came to me with the recommendation that he thought that Mr. Goodman ought to be removed, and I concurred in that.

Senator NUNN. You both agree on that, now, then?

Mr. GATES. Yes, sir.

Senator NUNN. OK. Thank you.

Chairman BOREN. Thank you very much, Senator Nunn. Senator Metzbaum, I believe you had another additional question or two.

Senator METZENBAUM. Mr. Gates, I thought a little bit in the last 24 hours about your 20 points, and I kept coming back to the 33 "don't recollects" that you gave this Committee and the 40 "don't

knows," and I am having some difficulty with it. And I am wondering whether you would like to address yourself as to the reason that you told this Committee—there was no pressure of time on you—that you couldn't recollect the answer to 33 questions and you didn't know the answer to 40 others, when it is quite obvious that you had the resources—the whole CIA is ready to help you, the whole White House is ready to help you—to get any information that you needed, to go back and dig out the facts?

Why didn't you give this Committee fuller answers than you did?

Mr. GATES. Senator Metzenbaum, I gave this Committee, in those interrogatories, the most honest answers that I could. Some of those questions concern conversations between other people. Some of them involved Mr. North's diaries, which I had nothing to do with and hadn't looked at.

Senator METZENBAUM. Why didn't you look at them at that point?

Mr. GATES. Well, I had seen the text of what these PROF notes, or these entries were. I saw no need to go back to the original sources. And I think that there is a big difference here, and let me just make a couple of points.

First of all, when I prepared those 20 points, I went back to CIA, I went through the allegations that had been made before this Committee last week, and I listed all of those allegations—and I went back to CIA and I didn't have any recollection, except very superficial, of any of those things. So if somebody had come to me a week ago yesterday with those 20 allegations, I could no more have attested to the answers to them authoritatively than I could some of the other questions that had been asked.

And I asked them to pull together the documents for me that were related to those questions. Well what did CIA say about these issues at that time? What did I do on the Papal paper on this? Talk to the people who were involved and tell me so I can refresh my own memory, so that I can remember what happened. And they sent me a huge pile of documents. And I worked through those documents all through the afternoon, all weekend. And they got the recollections of some of these people that had been involved in the process and have now done sworn testimony. And the way I was able to put together the statement that I hand wrote and read here yesterday morning was through research into the record. Now there is no such record like that in some of the aspects of Iran-Contra.

As Deputy Director for Central Intelligence I had an enormous number of things going across my plate. And one of the things that I found interesting—for example, about October 1986—is that in the course of these hearings, I have discovered that not only were all of the things I have talked about going on in October 1986, I discovered there is a major change in Iraqi policy, in policy toward Iraq liaison in October, I discover I did the Soviet memo in October. October—those first 2 weeks in October were a heck of a time, it turns out.

All I am trying to tell you is that—and I guess that I am responding with some passion, because I am a little annoyed at this notion of selective memory, or selective amnesia, to take the other side of it. And the fact of the matter is that I don't think it is un-

reasonable that somebody is not going to remember the details of a conversation that took place 5 or 6 years ago, or even 5 or 6 weeks ago, if there is not written record made of it, and if it falls in the middle of a variety of other things that are going on. And what I have done in Iran-Contra, and I think what this Committee has discovered in the testimony of witness after witness after witness, has been that people have basically corroborated the basic points in the testimony that I have given.

Now there are differences in the recollection of specific aspects of specific conversations. But in terms of the actions that I took, in terms of what I knew, I think there has been no contradiction. And in that respect it seems to me that the difference between those 20 points and Iran-Contra is that on the 20 points there was a record to be checked. There was something that I could go back and go back through and review those documents in detail. And I think that's the difference between the two. And I don't make any apologies for not remembering the details of conversations with people several years ago. And with all due respect, when I am asked about whether I remember whether I drafted a scope note, or something like that, 6 years ago, I suspect that there are more than a few people in this town that if presented with a document that had come to them 5 or 6 years ago and that they had perhaps put their pen to, would have difficulty remembering exactly what they had done as well.

Senator METZENBAUM. Let's go back, for a moment, to the questions that were asked of you in the interrogatories.

I was not a party to drafting those interrogatories, but I thought they were well done. A number of questions had to do with Oliver North's notes, and you indicated, "I didn't see them," "I don't recollect," "I didn't look at them," "I didn't go over to look at them." There were other questions that were asked of you about memoranda that had been prepared or opinions, or advisories, and whether or not you had read them, and asked you questions about the substance of them.

And time after time, in your responses, you could have as easily as walking across the street, found the information. The Oliver North notes were as available to you as, probably, to anybody in this country. And so you could have looked at them before you answered the questions. You could have looked at other documentation that was available to you. But instead you said to this Committee, "I don't recollect," "I don't know." And I am frank to tell you, Mr. Gates, that I don't know you very well, but when I read those answers, they bothered me. I said, this man is too smart. This is not just somebody off the street, this is not just the local police officer who is not prepared to give a full and complete answer, who may not have as great a recollection.

I agree that you might not have had a detailed recollection. What bothered me from the inception, and bothers me now, is whether you were leveling with us, whether you were trying to sort of gild the lily a little bit, saying "I didn't read the North notes." But you could have gone and read them when you got the interrogatories. And you could have then answered our questions. But you didn't do that, and I have difficulty with it.

Mr. GATES. Well, Senator, at times those questions were asking me what I thought Mr. North had been referring to when he would write something or other. And that is where I would answer that I didn't know. Because it is far from me to know what was in his mind when he——

Senator METZENBAUM. Somebody said you didn't know what was in the notes.

Chairman BOREN. I guess the question is, since we asked you what do you think this meant in Col. North's diaries and you answered I have not reviewed Col. North's diaries, why didn't you review them, or were these not available? Or since we asked the question, why wasn't time taken to review them? Is that a fair restatement, Senator Metzenbaum?

Senator METZENBAUM. The Chairman stated it better than I did.

Mr. GATES. I was trying to be very careful, Mr. Chairman, in responding to those questions. I obviously had read the entries that were being asked about. But I did not—I had not taken the time to read all of Colonel North's diaries or to know the context, or to even know that the entries reflected things that had actually happened. I have talked to people in the government who are mentioned in Colonel North's diaries that say that some of the entries are wholly fictional. And so I was simply trying to be very careful in the respect that I had read the entries through second hand printing of the things that affected me, but I had not reviewed the full diaries in terms of context or the full record.

Chairman BOREN. Well, I would just say—and I don't want to impose on Senator Metzenbaum here—but I had the same reaction when I read those. I think that what you said is completely true and there has been testimony. In fact, we had it in the Iran-Contra hearings, I think it has been referred to in our records that Colonel North himself indicated that he sometimes put things in his diary that either didn't happen or he deliberately put things in his diary that didn't happen, fictional things. But still if you have not reviewed all of Colonel North's diaries, which are in several boxes, or if you did review the parts that referred to you but you didn't necessarily know what they meant, I think a better answer would have been: I have looked at that and I simply don't understand what the reference means, because it doesn't track my own experience or for whatever reason. Because when the answer came back to us, I reacted just like Senator Metzenbaum did. I didn't bother to go over and look at that. And I gather what you are saying is you did bother to look at it, but you didn't know, out of context of the rest of the diaries, what it meant.

I think that would have been a better answer because I was troubled in the very same way that Senator Metzenbaum was.

Mr. GATES. I accept that, Mr. Chairman.

Senator CRANSTON. Could I ask one question on that? Did you indeed look at the specific item that is referred to in the interrogatory?

Mr. GATES. Yes, sir. Well, the interrogatories themselves repeated the note that was being asked about, and it was that that I read, obviously.

Senator CRANSTON. You didn't go to look at the diary and where that was in the diary? In that context?

Mr. GATES. No, sir. No, sir.

Senator METZENBAUM. Mr. Gates, I thought you did an effective job with your 20 points. But I am frank to say to you that you had members of this Committee at a disadvantage. You had a wealth of information available to you, you had as many members of the CIA as you needed to help you get your presentation together, and the White House staff as well. And so when we heard it, we all said that was a good presentation. I think the Washington Post said that. But on reflection, I got to thinking about it and I started to look at some of them. I don't have the capacity, nor did I have the time, to go back and look at all 20 of them. The Chairman indicated that he intends to go through them, and he is more knowledgeable than I about this material.

But some of them sort of disturbed me, because I didn't think that your answers were full. You say you were in no position to kill an NIE in February 1982. Now, that is technically true. You say in your statement that, "It is alleged that I killed an estimate draft in 1982 on the Soviets and the Third World and another such paper in 1985. . . . I was in no position bureaucratically to kill an NIE."

But you had a lot of influence, didn't you, in the preparation of that NIE?

Mr. GATES. I certainly had a view.

Senator METZENBAUM. That isn't what I asked you. My question is: You had a lot of influence, didn't you?

Mr. GATES. Yes. Among others. Including the chairman of the National Intelligence Council, Mr. Rowan.

Senator METZENBAUM. The way you made it sound was stronger; you said, "I was in no position 'bureaucratically to kill an NIE.'" Now you quoted from your memo as follows: "But just let me read you one excerpt to give you the flavor." This is you speaking, in this memo dated 14 February, 1982. Quote, "In sum, the estimate is basically a snapshot with a great deal of detail and the problems and opportunities confronting the Soviets in the Third World. But what I find lacking is any sense of the change in the Soviet approach to the Third World, over the last several years and that pulls together for the policymaker something more than the specifics we have been feeding them for the past 3 or 4 years—something that provides us a synthesis of what it all means in terms of larger Soviet imperatives and motives in that part of the world."

Now the fact is, your quote yesterday fails to convey the true flavor of your critique in 1982. Let me read some other selections from your 1982 memo: With reference to the lack of a discussion of Soviet ideology, this is what you said: "but without such a section one has only a snapshot of Soviet involvement in the Third World that tends too much to reflect on present opportunities and power balances and less on the ideological and political motives that have impelled the Soviet Union to an activist role in the Third World now for more than 60 years."

You went on to say, "On page 10"—this is still you talking—"On page 10 of the estimate draft contends that Moscow believes that the U.S. is now more willing to counter Soviet activities in the Third World than during the immediate post-Vietnam years. I think it is not possible yet to draw that conclusion and I think the Soviets themselves have not drawn that conclusion. So far, except

in El Salvador, the Soviets principally have seen American rhetoric since 1975 and very little action. We are still not a player in Angola. Other than diplomatically we are not involved in elsewhere in Southern Africa, and we are playing no role at all in the Iran-Iraq War."

You went on to say—all this in your memo—"Again, this does not reflect the change in Soviet tactics. It is much easier for the Soviets to let the Cubans or the Libyans or others develop such clients and to support them indirectly than it is to do so directly. Examples include Grenada and potentially Suriname. The Soviets make no investment whatsoever but the Cubans carry the major burden and then the Soviets can come in behind with support. This would be true in the event Libya is successful, in Chad as well. In short, the estimate misses a major historical and political development in failing to point out the change in Soviet tactics in the last eight years in Soviet involvement in the Third World and just how surrogates are used in the Third World. This is a fundamental flaw in the draft in my judgment."

And then you conclude by saying?

The estimate seems to conclude that fewer opportunities will present themselves to the Soviets in the 1980s than before for a variety of reasons and that the opportunities the Soviets have exploited will begin to present them with increased problems. I think this overlooks the creativity of the Soviet approach in the last seven or eight years, the fact that they are creating new opportunities through different approaches, and that they are much better than we are in exploiting problem areas.

Now what do we have here? You made an academic critique. As a matter of fact, it was rather a political tract for the Reagan Doctrine—and also for Bill Casey's active covert agenda with respect to Angola, Iran, Iraq, Grenada—where we invaded—and Suriname—which John McMahon noted in his testimony was an area of SSCI interest, although the Intelligence Committees did not have Casey's obsession—and Chad.

Now, I want to ask you: Why did you select such a bland comment to quote yesterday, when you recall that you wrote much more than your comment would suggest? "I was in no position bureaucratically to kill an NIE." "It is alleged that I killed an estimate draft in 1982 on the Soviets and the Third World and another such paper in 1985." The fact is you were involved, you participated, and it is one of my concerns about your nomination that you are too ready to put a gloss on it. There wasn't anything wrong with your being involved, but when you spoke, gave us your 20 points, you indicated "I just really was not a player in that area." But you were much of a player.

Mr. GATES. I don't think it was anything in that memo that suggested that I was saying I wasn't a player. I simply said that bureaucratically—and I used that word specifically—I was in no position to kill an NIE. The DDI wasn't. The Chairman of the NIC—

Senator METZENBAUM. But you didn't tell us the whole story, did you, Mr. Gates?

Mr. GATES. Well, I tell you, Senator Metzenbaum, one of the ironies is that a good number of the passages that you have read, I had originally highlighted to read myself. And when I was at home

going through this thing trying to figure out how long it was going to take, it became clear to me that it was going to take me two hours to read all of the excerpts from the different memos. I had a lot more marked in the Soviet memo, too, that I wrote in October 1986. So my selection of the sentence was trying to give the flavor of my criticism of the estimate rather than a more full description of what I had written in that memo. But the memo was declassified. It's in the public record, it's in the Committee's record. There was certainly no attempt to put a shading on it or by what I read mislead in the slightest way. And I might add that the memo had nothing to do with Casey's agenda or the Reagan Administration agenda. It goes back to what Senator Rudman was talking about earlier about the contrast between a rational model of Soviet foreign policy and one that takes into account historical and ideological imperatives. And I was simply complaining that the NIE didn't take that into account.

Senator METZENBAUM. I understand that, and I am not criticizing you for what you said. What I am saying is that you gave us 20 points yesterday—boom, boom, boom—and said there were no problems in any of these areas. "I was not involved in that area." Then we go back and look at the record and you were involved in the area.

Mr. GATES. I didn't say I wasn't involved, Senator. I said I was in no position. I was obviously involved. I was commenting on the estimate.

Senator METZENBAUM. Mr. Gates, that was 100% correct as far as I know. You were in no position to kill it. But you didn't tell us the whole story in your 20 points, and that is what concerns me. You implied that you were just someone out here and everybody else was over there, that you did not have anything to do with it, that you were not a player. The fact is, I read you those quotes not because of the substance of the quotes, but to indicate that your 20 points need full examination. I was very pleased to hear the Chairman indicate that he's intending to look over those points, those statements you made, and see what the record reflects, because frankly, I think that while you did well, to present those 20 points as you did, I am not sure that the record supports it. Let me give you another example.

Mr. GATES. Let me just say in response to that, Senator Metzenbaum, that I welcome people looking over those 20 points. I welcome review of that record. And I also would point out that that was a review of the documents based on those that CIA had been able to provide to me with only a couple of days looking. Now there is a much more complete record, but what I was trying to establish was that especially on a number of those allegations, the case was being made that I had blocked CIA from doing a particular kind of analysis. And what I was trying to show was that there are on the record publications by CIA that conveyed that very analysis. And so I welcome people taking a look at that. There was no effort to disguise that, and I don't want to pretend that was a complete record. It was one done—pulled together very quickly, but in effect to prove the negative. I was being charged with having blocked the emergence of certain kinds of analyses from CIA, and the record shows to the contrary.

Senator METZENBAUM. Let me go over one other point, because I am not going over all 20; frankly, I have not been able to do enough research. One of your statements was, "It is alleged that in 1985 I wanted an Agency document to assert that Syrian, Libyan and Iranian support for state terrorism was coordinated by Moscow, and that over the objections of senior Soviet analysts I endorsed a National Estimate and a monograph by an independent contractor to accuse the Soviets of coordinating terrorist activities. The facts are quite different. I approved the proposal to have an outside analyst examine the idea that Syria, Iran, and Libya were collaborating to harm U.S. interests, and that the USSR was encouraging this. The drafter of the National Estimate on this subject was an experienced CIA analyst—not the outside contractor. That Estimate, a Special National Estimate. . . ."

And then I think you go on to say that the allegation is false. Now let me show you what the facts are. That was the point six that you made. But let's look at that accusation. Mrs. Glaudemans said that you first brought in an outsider to make the case for the Soviet Union being the instigator of this terrorism. You admitted that. She said that and you admitted to that. Mrs. Glaudemans then said that the outsider's analysis was used as the starting point for a formal Estimate, whether he actually drafted the Estimate or not. And you admitted that, too. Then Mrs. Glaudemans said that CIA analysts had to argue forcefully to get the Estimate back to something sensible. You didn't say anything on this yesterday, but you did praise the final product. And then Ms. Glaudemans said that the Branch Chief whose protest resulted in the improvements of the Estimate was removed. He certainly was. That was Mr. Goodman. And Mr. MacEachin told this Committee that you had recommended removing that Branch Chief from SOVA altogether. That is the point that you were just speaking to in answer to Senator Nunn's statement. So I guess I am left wondering, how could you possibly say that the allegation is false when you've just admitted to 2 of the 4 points, dodged the third and at least had some role in the 4th?

Mr. GATES. Because the allegation that I was keying from when I addressed that issue did not include Mrs. Glaudemans' testimony, but rather Mr. Goodman's presentation to the Committee. And his allegations were couched in different terms. And it was that to which I was referring.

Senator METZENBAUM. I'm sorry?

Mr. GATES. It was not Mrs. Glaudemans' review of that assessment or her allegations to which I was responding. It was Mr. Goodman's in his presentation before the Committee, and he framed the allegation in a very different way that implied: A, that the contractor had drafted the estimate; B, that I had dictated the terms; and C, that I had required that it come to the conclusion that Syria, Libya and Iran, being organized by Moscow, were—that the Soviets were driving this terrorism and that was the premise against which I was drafting my response.

Senator METZENBAUM. Well, Mr. Chairman, as I have indicated previously, I didn't have time and I don't know if I have the ability to go through all of the statements and charges he made that say this item is false, and that is false, and the like. I have looked at

enough that I am satisfied that for some of those charges, the charge of their being false is false in and of itself. I would strongly urge the Committee, with the Committee staff, to go back and look at the 20 points and let each member of this Committee know what the analysis brings out, because none of us can individually—we don't just have the wherewithall to do it.

Chairman BOREN. We will have staff organize the record so that Members may look at the items in the record that refer to these different areas. Of course, when it gets down to whether a charge is true or false, very often it is going to come down to a judgment that each individual member will have to make after looking at the documents. Some will think that some things are true and some will think that they are not looking at the same very data base. But we will certainly try and make that available.

Senator METZENBAUM. Please try and get that material to us while the recess is on so we may have a chance to study it.

Chairman BOREN. Much of that is already done. Mr. Snider, our Counsel, and those working with him, will have this compilation. I think it can be partly done by simply organizing it by chapter so to speak so that you can look through it.

Senator METZENBAUM. I think we ought get something that tells us "this is the charge that he said is false," or whatever the point was, "and the record corroborates it"——

Chairman BOREN. Well, I think what we can do is say here is the record because Members will have to make judgments as to whether or not they think the record corroborates it or not. I think we wouldn't want to turn over to staff the judgmental process.

Senator METZENBAUM. If you can provide us with the facts, we can make the decision.

Senator RUDMAN. Mr. Chairman.

Chairman BOREN. Senator Cranston has one brief comment.

Senator CRANSTON. I wanted to comment on this matter when you brought it up, that Mr. Gates responded yesterday with 20 points dealing with the principal charges that have been made. And you said it was difficult to analyze the responses because there were so many and so many documents refer to so forth and so on. I was very impressed by Mr. Gates' responses but I did understand as you did that he relied to a very great extent upon statements attributed to other people, upon documents that exist that he referred to and so forth. Just to give one example regarding the attempt to kill the Pope and the allegation that Mr. Gates promoted the idea that the Kremlin was behind the attempted assassination and so forth. He then relied upon statements by Mr. Lance Haus, the Project Manager and Kay Oliver, a drafter, and others, to knock that down. And the same thing happened in regard to many of the other 20 responses.

I then spoke to the Chairman and suggested that the staff be instructed to pull together all of the documents referred to by Mr. Gates and any other relevant documents so we can look at them. And that is what we have just now been discussing and that will be made available as soon as possible. And I think that will give us a very good opportunity to verify for ourselves to the extent we can and it is not just opinion, the basis of Mr. Gates' skepticism and charge of falsity in regard to these charges.

Chairman BOREN. That is a very good suggestion. You said it better than I how we should proceed. What we will do is more or less have briefing books for Members that will be by chapters, so that we can take up these and other issues as well.

Senator METZENBAUM. Mr. Chairman, we need the briefing books considerably before the time we are called upon to resolve this.

Chairman BOREN. We will do our very best so Members will have a chance to study it. This shouldn't take so long to do because we have these documents. If there is reference to what Kay Oliver said, as an example, and there are also competing views, just put all those together along with the point. Then that will be available so Members can look at it and come to their own conclusions.

Senator METZENBAUM. So often, we are given a briefing book as we walk in to a meeting, it is this thick, and we have no way of—

Chairman BOREN. I understand. We will do the best we can and Members will just have to also allow some time to themselves to make these—

Senator RUDMAN. Mr. Chairman.

Senator DECONCINI. Mr. Chairman, a point of clarification from you and the Senator from New Hampshire. There was some reference made here to the Oliver North diaries and I may have misunderstood, but my understanding is that the PROF notes which are his computer notes or his handwritten notes were determined to be unreliable. And that those were determined to be unreliable by his diary. Is that correct?

Senator RUDMAN. That is correct. Several ways. His own testimony in some cases.

Senator DECONCINI. I thought that you said and I misunderstood what you said, Mr. Chairman, that the diary was unreliable. The diary is one of the most reliable sources, is it not?

Chairman BOREN. What I was indicating is from my own memory and I may have misstated it.

Senator DECONCINI. No, I may have misunderstood it; I just wanted a clarification.

Chairman BOREN. There is an indication that things that Oliver North put in writing—and I don't make a distinction between PROF notes and diaries—

Senator WARNER. Mr. Chairman can Mr. Cohen be recognized? He seems to remember that.

Chairman BOREN [continuing]. Are admittedly inconsistent and therefore of doubtful validity.

Senator DECONCINI. Of course I didn't sit on the Committee, Mr. Chairman. I am not going to belabor it. I just know we have—

Chairman BOREN. We have Senator Rudman—

Senator DECONCINI. We have three or four experts here.

Senator RUDMAN. I think the simple statement is that there were a number of examples where there were things—several examples of things in the diary that were later found to be put in there for reasons other than what they appeared to reflect.

Senator DECONCINI. Meaning that the diary was unreliable?

Senator RUDMAN. I think it was generally reliable. But I think the witness' answer was the most interesting answer. What he had said is that he reviewed the factual basis regarding Oliver North's

notes, and he did not feel that was necessary to read the entire diary.

Mr. Chairman, while I have the floor could I just make a comment? Mr. Chairman, there is only one fair way in my view. Yesterday, Mr. Gates responded with his 20 points to specific allegations. This was not some general wild presentation of transient information. Most of the specific charges came not from Mr. Ford or from Ms. Glaudemans. The majority of specific allegations occurred in our closed session which I believe was on Wednesday evening, and then again in open session. One need only take the accusation made by Mr. Goodman—for instance, "Misleading the President of the United States." If it is true by the way, it's probably treason, never mind anything else. Take an allegation, put it down, put Mr. Gates' point next to it, look at the documents that Mr. Goodman produced, if any, look at what Mr. Gates produced, see what the staff has found, and make up your own mind. That is the only fair way to look at the 20 points.

Chairman BOREN. These are the kinds of judgment processes, once we organize the material, that Members will have to make to come to their own conclusions. That is really the essence of our job. Staff cannot do that for us. I certainly would not want staff doing that for us. Otherwise, we would just let staff vote instead of Members of the Committee. That happens around here quite a lot, but not on this Committee. I heard one Member of the Senate one day backing out of his office—not a current Member of this Committee—say, "Thank God the Constitution dictates that we have to be the ones to vote on the Senate Floor or we would let staff do it all." I am not aiming at our staff. They have done an immense amount of work. But the judgment process has to be ours and we all have a different idea how we weigh the evidence. But, we will try to organize the evidence in the best possible way, point by point so that Members can review it.

I am told, Senator DeConcini, that on your question that it is the PROF note where there were inaccuracies.

Senator DECONCINI. I thought from following it and not being a member of it and that the diaries were pretty accurate but not inaccurate, but the PROF notes were the ones that the Committee almost made a determination if not a finding that the PROF note were the inaccurate part of it.

Chairman BOREN. I think that is correct.

Senator DECONCINI. I just want a clarification of it. I am not trying to make a big deal about it. I just wanted to be sure I was thinking which areas were accurate.

Senator RUDMAN. Unfortunately the Committee did not have access to the full diary. That was one of the problems.

Senator DECONCINI. I didn't know that. I would be glad to hear from the Senator from Maine.

Senator RUDMAN. It did not have full access to the full diaries.

Chairman BOREN. The point I was trying to make was things that Mr. North reduced to writing have not always proved to be reliable. We also, of course, have Colonel North's testimony under oath at his trial as it relates to what he told or did not tell Mr. Gates and his not having told Mr. Gates about the diversion. We can go back and check the record but my recollection is that I read

the questioning of Colonel North as it related to Mr. Gates in his criminal trial into the record.

There are a lot of other areas that I would like to go into. I had intended to ask some questions. I assure my colleagues that I will not ask my own questions because it is so late, but I may want to ask one or two just for the record. They are not controversial questions.

The Committee has been working very hard to try to bring together these two separate empires of military and civilian intelligence. One of the points that General Schwarzkopf made to us when he testified to us was that while different elements of the armed forces often exercise together in a unified command structure, the civilian intelligence really never has exercised, if you want to call it that, with the military, to bring about a closer marriage between the civilian and the military side of things in terms of intelligence, particularly if you get into a situation like the Persian Gulf.

We've talked a lot about two cultures. If there is an extreme difference in culture between the DO and the DI, there is even more extreme difference of culture between the military intelligence and the civilian. That division has gone all the way back, as you know, to the creation of the CIA right after the World War II. There was a heated debate that it should all be at the Pentagon. I would appreciate your suggestions, maybe in writing to us at some point, as to how we might bring about a closer coordination because we cannot afford to build two empires. It is too expensive and it also results in disconnects at crucial times. In our authorization bill which will be up on the Floor maybe next week, we have some rather sweeping changes. Not only some major budgetary shifts and cuts, but we have suggested that military people, with joint agreement of the Secretary of Defense and the Director of the CIA, occupy certain positions in the CIA. Perhaps the Deputy in Operations should be a military person. Perhaps the Deputy in the whole Agency should be a military person.

On the other hand, that there should be civilian CIA people sitting as part of what we call the Joint Operation Center of someone like General Schwarzkopf—actually integrated right with the military and the joint command if you have another situation like the Persian Gulf. We have been looking at options like these and some of them are already in our authorization bill. We would value your thoughts about that.

Mr. GATES. Mr. Chairman, I might just add one sentence. In terms of lessons learned from the war, one of the things that has begun is they do have an exercise planned along the lines that you just described.

Chairman BOREN. I am very glad, because that is something we discussed with General Schwarzkopf and that is something the Committee has been encouraging. It will help the civilian side understand more completely what military commanders need and also give military commanders more insight into what civilian resources are available to help them. So joint exercises would be a good idea and perhaps some direct joint appointments in certain key positions both in military intelligence and in civilian intelligence.

Human resource emphasis. You have already talked about restoring our human capability. And as you know, we have the education initiatives in this bill, funded already I might say in the appropriations bill for \$180 million this coming year. Senator Byrd has been working with us to put some additional funding in it over the next two to three years to build a trust fund on international studies such as Middle Eastern studies, Latin American studies, foreign languages, and the rest, including exchange students. This will give opportunity to college undergraduates that don't have the financial means to study in other environments overseas.

The majority and minority viewpoint. I agree very strongly with what Senator Nunn said, and I would like maybe some additional thoughts from you in writing on how we can more adequately assure crisp intelligence—not mush or watered down chicken soup as General Schwarzkopf said. Very crisp, predictive, strong analysis, but still preserve dissenting opinions by having a majority opinion spelled out with the reasoning behind it in a very forthright way. And then allow a minority opinion also in a very forthright way with the supporting reasons behind it. So the policymaker doesn't get mush—he gets a very forthright majority view but with the opportunity for a minority and dissenting view if one is offered. That way the policymaker can see the conflicting reasons and I think you have spoken approvingly of that idea. If you desire to send any more about that to us, we'd welcome that.

The last item that I would just mention is environmental concerns which are on the minds of many of us. The environmental threat to the world is a threat that can't be addressed solely within the bounds of the United States by us passing clear air and clean water acts. Obviously, air and water go across borders and the ozone layer, the deforestation and all the other problems that we face in terms of the environment affect all of us worldwide. We have a lot of technical systems at the CIA that perhaps could be utilized to assist us on a worldwide basis and indeed in a way that this information could be then shared with the world. You may just want to say a sentence or two on how that might benefit our efforts in environmental policy. We really need to think about using some of our intelligence resources in a way that will give us an even better handle on what is happening environmentally worldwide because it is of tremendous concern.

Mr. GATES. I would just say one of the major possible avenues in this arena would be to see what is available that is of value in examining in the environment or in dealing with environmental issues as a byproduct of the technical systems that are operating anyway. We are in a time of budgetary difficulty.

Chairman BOREN. Right.

Mr. GATES. We are going to have some limitations there, but it seems to me information does come to us from a variety of sources that we might be able to apply to this problem without a significant increase in resources.

Chairman BOREN. That is exactly what I was thinking. We have satellites and other systems that are already operating. We wouldn't have to spend more money to have new ones. I would think we need to put more attention on exploiting the resources we have that would help us in terms of environmental knowledge and

the ability to try and deal with the environmental problem on a worldwide basis.

Mr. GATES, I appreciate the time that you have spent with us and the manner in which you have attempted to deal with our questions in a thorough way and an open way. This will close the public portion of our hearings, and before we leave, if there is any last word that you would like to speak to the Committee, I would like to give you the opportunity to do so at this time.

Mr. GATES. I think I would not take advantage of that, Mr. Chairman. I think everyone is eager to get on to lunch and the closed session. I would say I do have perhaps two or three minutes worth of concluding remarks when we finish the closed session.

Chairman BOREN. I think if you would like to say them now, it would be appropriate.

Mr. GATES. All right.

Chairman BOREN. Maybe it would not influence the confirmation process too much that Members will have to wait another three minutes before lunch; we hope not. I think we should hear you in open session rather than closed.

Mr. GATES. Mr. Chairman, this has been a long process and I will prolong it only briefly with three observations.

First, as I have gone through these hearings, a further lesson of Iran-Contra for CIA has come through to me. Throughout October and November 1986 different aspects, suspicions, speculation about Iran-Contra were known at very different levels of detail in CIA. Information was conveyed in informal settings almost in passing. What little written information existed was hedged or incomplete. Some believed they had discharged their responsibility by informing their superiors like me, however briefly or summarily. And those of us—me—at a senior level did not fully weigh the available information.

In this connection, just as I would worry that inadequate coordination and sharing of information might cause CIA to miss an important development abroad, I believe we need further safeguards when it comes to recognizing and acting upon intelligence information raising the suspicion or possibility of illegal activities outside of CIA. This is related to the concerns expressed by both Senator Nunn and Senator DeConcini.

While by statute CIA is not a law enforcement agency, I think we have to act conscientiously when information of concern comes to us. Accordingly, if I am confirmed, one of my first acts will be to issue an employee notice that all must be alert to the possibility of illegal actions by others outside of CIA as well as CIA officers. And that any suspicion of such action should be reported in writing to the Director with copies to the General Counsel and the statutory Inspector General for their review and action. They—the General Counsel and the statutory Inspector General—would then be directed to report to the DCI action taken or recommended.

Second, looking to the future, as I suggested at the beginning of the hearings, change is inevitable. It must come and it must come quickly. It must be constructive and informed by broadly agreed missions and priorities for U.S. intelligence. In this connection, change is usually painful. It fell to me to implement a reorganization of the analytical directorate a decade ago. I added that signifi-

cant reforms and changes the way the Directorate did its business. These changes all impose real costs in terms of disruption, uncertainty and turbulence. Thus, it is important as we look to a time of change to be sensitive to people—their concerns, fears, and futures. While intelligence must move quickly to adjust and to seize new opportunities, the new Director and his senior managers must assure that those most affected by change are well treated and have the assurance of fairness and sympathy and new personal opportunities. And if I am confirmed I intend to make these changes a corporate effort, using Judge Webster's approach of involving Agency managers in developing solutions to assure all of the Agency family has a role and a stake in the shaping of this new future.

The kind of change we are contemplating, while requiring decisiveness and boldness at the top, cannot be viewed as imposed in isolation and bloodlessly from above.

Third, the integrity of intelligence, of analysis, in the kind of intellectual adventuresomeness I spoke in 1982 is critical to intelligence's role. In a revolutionary world there are few pat answers about the future. An open mind is essential for all, from analyst to Director. All must work together to ensure assessments of the highest quality and objectivity reach policymakers and the Congress.

The DCI is the President's senior intelligence officer, and as such he is expected to have a personal view. But it is his first responsibility to ensure that the views of the institution, the analysts, are accurately and faithfully reported, together with dissents and alternatives. The problems of perceived politicization and self-censorship must be addressed urgently. And if I am confirmed I will implement the eight measures that I proposed yesterday forthwith.

Finally, on a personal note, this confirmation process while long—after all, the whole Soviet empire has fallen apart in the course of these things—has been fair, thorough and professional. And for that I thank the Committee and its staff.

I close by again thanking the President for nominating me, and I will say that I hope that this Committee and the full Senate will see fit to return me once again to the Agency I love and to which I dedicated my life a long time ago.

Thank you.

Chairman BOREN. Thank you very much, Mr. Gates. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Mr. Gates, that was a very important contribution to these proceedings and throughout, in my judgment, you have responded responsibly and credibly.

Chairman BOREN. Thank you, Senator Warner.

Thank you very much, Mr. Gates.

As I've indicated to Committee Members, we will reconvene at 3:00 o'clock. I do not anticipate that session going more than two hours total in our closed secure space.

We will stand in recess.

[Thereupon, at 1:49 o'clock p.m., the Committee was recessed, to reconvene in closed session at 3:00 o'clock p.m. the same day.]

VOTE ON THE NOMINATION OF ROBERT M. GATES TO BE DIRECTOR OF CENTRAL INTELLIGENCE

FRIDAY, OCTOBER 18, 1991

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Select Committee met, pursuant to notice, at 9:09 a.m., in room SH-216, Hart Senate Office Building, the Honorable David L. Boren, Chairman of the Committee, presiding.

Present: Senators Boren, Nunn, Hollings, Bradley, Cranston, DeConcini, Metzenbaum, Glenn, Murkowski, Warner, D'Amato, Rudman, Gorton and Chafee.

Also Present: George Tenet, Staff Director; John Moseman, Minority Staff Director; Britt Snider, Chief Counsel; and Kathleen McGhee, Chief Clerk.

Chairman BOREN. The Committee will come to order. We will commence the Committee meeting.

We meet in open session this morning for the purpose of voting on the nomination of Robert M. Gates, who has been nominated by the President of the United States to be the Director of Central Intelligence. Our process will be as follows: we will have opening statements by the Chair and the Vice Chair, and then we will alternate with opening statements and comments on each side of the aisle in order of seniority of membership on the Committee.

We will then, as the opening comments are finished by Members, go immediately into the roll call on the nomination. So I certainly anticipate that the roll call will occur during this morning session in a timely fashion.

When we began the confirmation hearings on this nomination, I expressed the hope that when we finished the process, without regard to the final vote, that the American people could justifiably say that our hearings had been both thorough and fair. I want to thank the Members of the Committee on both sides of the aisle for their cooperation, and for their common commitment with me to realize this goal. I appreciate the words of encouragement which each of you around this table have spoken to me about our process.

I also want to thank the members of the staff who have labored long hours to also help us achieve our goal of thoroughness and fairness. Virtually every procedural decision of this Committee has been unanimous. We have sought to be fair by involving the staff designees of every Member of this Committee, both Democrat and Republican, in making decisions about which witnesses to call,

which documentary evidence to obtain, and which issues to examine.

We have certainly had no shortage of conflicting viewpoints nor diversity of opinion among our witnesses. I honestly believe that these hearings have been the most thorough ever conducted for a nominee for the position of Director of Central Intelligence. More people have been interviewed and more pages of documents have been studied than in any other confirmation hearing in the history of this Committee.

That is as it should be. Because the next Director of Central Intelligence will be called upon to make the most sweeping changes in the Intelligence Community since the CIA was created almost a half century ago.

We have also sought to educate the American people through these hearings about the Intelligence Community. As taxpayers, they pay a multi-billion dollar bill for intelligence and they should know as much as possible about intelligence operations and the challenges which we face in a totally changed world environment.

In many ways the ability of our policymakers, from the President on down, to make sound decisions to prepare us for the next century will depend upon the quality of the intelligence they receive.

After careful consideration, I personally have decided to vote today in favor of confirming the President's nominee, Robert M. Gates, to be the Director of Central Intelligence. I have reached that decision for several reasons. First, Mr. Gates has the knowledge and the experience vitally needed by the next Director of the CIA. The next Director will immediately have to plunge into the process of radically changing the Intelligence Community to coincide with all the changes in the world around us. This is no time to bring in a new Director from the outside, lacking in experience, lacking in a detailed knowledge of the Intelligence Community. This is no time for on-the-job training. We can't afford to take two to three years for the new Director to learn the current programs before thinking about how to change them. We need a Director who can hit the ground running. There is no time to waste.

We also need a Director who can work with Congress to develop new structures and budget priorities, and who also has the respect and confidence of the President so that he will be prepared to implement these proposals. The President who is a former Director of Central Intelligence himself, would simply not have the same level of respect for the opinions of a newcomer to the intelligence field—even a person of great stature—as he would have for the views of Mr. Gates who has already been trusted by him with a key position on his National Security Council staff.

Second, I believe that the next Director should have a strong commitment to the oversight process. As I said on the last day of the public hearings, I cannot ignore my own experience with Mr. Gates over the last five years; first, when he was Acting Director of the CIA, then when he was Deputy to Judge Webster, and since he has been Deputy to General Scowcroft.

I have already gone over in some detail those instances in recent years where he at times has singlehandedly stood up for the oversight process and for improving relationships between the branches

of government, even to the point of arguing with the President himself in support of the need for an independent statutory Inspector General for the CIA and for writing into the law new oversight legislation to reflect the lessons learned from the Iran-Contra affair.

I also cannot ignore the commitments he made to us during his testimony. On September 16th, the first day of the hearings, Mr. Gates said, and I quote him,

I commit to you that should I be confirmed, whatever differences may develop from time to time between the Intelligence Committees and the Executive branch generally, or the CIA in particular, I would resign rather than jeopardize that relationship of trust and confidence.

Later the same day he told us, and again I quote him, "Now, under those circumstances, I think that if I were to find that if something illegal were going on in that context, I would make the case to the President, (A) that it made it imperative to inform the Congress; and (B) that I could no longer serve as Director if that could not be done."

I believe that these are the clearest and most far reaching commitments to the oversight process ever made by a person nominated for this position.

As I say, this isn't a matter of pleasing this Committee. This isn't a matter of being for working with Congress. This is a matter of protecting the interests of the American people, because we are asked to be the watchdogs for the American people, to make sure that nothing illegal goes on at the CIA and that their actions are in keeping with the values of the American people.

And so by strengthening the oversight process and by arguing for a stronger process, this nominee has committed himself as a strong watchdog on behalf of the American people.

I am also impressed by what the nominee says will be his priorities for the future. It is significant that he wants to make intelligence more useful in informing the policymakers. He has experience both as a producer and as a consumer of intelligence. Nothing is more important to the morale at the CIA than for its employees to feel that their work means something. I believe that Mr. Gates, having observed what kind of information is needed by Presidents and policymakers, would help make intelligence more relevant to the policy process.

I also applaud his determination that the next Director should provide real leadership for the entire Intelligence Community, by bringing among others, military and civilian intelligence into closer cooperation which would help commanders, like General Schwarzkopf, in time of conflict.

I heartily approve his statement that he will make dealing with the threat of the proliferation of nuclear, chemical and biological weapons his first priority. And that he sees economic intelligence as something we must do better in the future. And the need for more emphasis on human source intelligence to provide earlier warnings about the intentions of potential adversaries in an era in which we will have fewer American forces forward positioned around the world.

I agree with his emphasis on new education programs to provide a larger pool of individuals with the skills in foreign languages and area studies which we so badly need.

I am also encouraged that he sees the possibility of using CIA assets to provide assistance in solving global environmental problems.

In expressing support for Mr. Gates, I am also mindful that like any other possible nominee, he has his shortcomings. We have examined the record as it relates to his relationship to the Iran-Contra affair. And while I do not find a smoking gun as it relates to this nominee, I have for some time been troubled by what I perceive to have been a general lack of aggressiveness on his part in seeking the facts.

While I do not believe that the record shows that Mr. Gates is guilty of intentional actions to initiate or conspire with illegal or improper behavior, it does support a criticism that he was not active enough in seeking to prevent such conduct.

To his credit, Mr. Gates dealt with this subject in his opening statement before the Committee, acknowledging that there were things that he should have done, and that he should have been more aggressive in following up things that he was told. To quote a portion of his testimony:

I suspect you people would have reflected more than I have on the Iran-Contra affair. What went wrong? Why CIA played by rules not of its own making? And what might have been done to prevent or at least stop this tragic affair. CIA has already paid a fearful price and learned costly lessons. But today, I want to speak about the misjudgments I made. I should have taken more seriously the possibility of impropriety, even wrong-doing, in the government. And pursued this possibility more aggressively. I should have been more skeptical about what I was told. I should have asked more questions. And I should have been less satisfied with the answers I received. You will not find a nominee for Director of Central Intelligence more aware of, and more sensitive to the lessons of that time, or more understanding of the importance of a good faith relationship with the Congress.

I accept Mr. Gates' statement and I believe it was sincere. I believe the lesson has sunk in. During the confirmation process, we also investigated in closed session whether the CIA had improperly maintained surveillance and files on Members of Congress, or other citizens, or improperly disseminated information about them. While there are still some questions which we intend to pursue, there was no evidence that Robert Gates was involved in any questionable actions in this area.

The Committee also examined closely the still classified relationship with the government of Iraq during the mid-1980s. According to the evidence available to us up to this point, the relationship involved only the provision of certain intelligence and no arms or equipment on the part of the CIA or the U.S. Government in support of the Iraqi war effort.

Questions were raised as to whether the transfer of this information should have been treated as a covert action under the law requiring a Presidential Finding and reporting to the Committees intelligence exchanges.

These kinds of exchanges in the past have not been considered covert actions. But there were circumstances here which suggested to some that the purpose of the sharing arrangement may have

been more than simply providing a quid pro quo for intelligence collection.

My view is that this activity was not a covert action. It was not intended to influence Iraq to do anything it was not already doing. It was intended to support an ongoing activity. Iraq was already clearly waging war with Iran. The U.S. did not enter into the relationship to induce Iraq to undertake a new policy but rather to show Iraq how to succeed at the policy it had already adopted.

At the time it was also not the kind of activity routinely reported to the Committee. Now, however, I would say that it would be reported under agreements worked out over the last few years with the strong support of Mr. Gates who argued in favor of giving the Committee this kind of information in the future.

Likewise, I do not believe that the record sustains the charge that Mr. Gates systematically attempted to politicize or slant the intelligence products of the Agency. There were simply too many papers and estimates which he encouraged or allowed to be published which challenged the views of Director Casey or President Reagan to sustain such a sweeping indictment. I won't name them all there. I have in my full statement for the record estimates involving the possible use of chemical weapons, biological weapons by the Soviet Union that went counter to Director Casey's view; estimates on the Soviet economy that went counter to Director Casey's views; and many others.

There is enough evidence, however, to support a criticism that Mr. Gates was not alert to a perception problem, that because of his own strong views and those of the Administration, opposing views or those who espoused them were not being treated with sufficient respect.

There is no doubt that improvements still need to be made in the analytical process. And if confirmed, Mr. Gates will bear a heavy responsibility to be sure that minority views are respected and adequately expressed and that old scars and insecurities which threaten intellectual freedom of expression are addressed. The integrity of the analytical process is an extremely serious issue because if intelligence is slanted, the billions of dollars we spend on collecting raw intelligence data will be money wasted.

Past performances as I have said are relevant. So is the record which Mr. Gates has established as Acting Director, Deputy to Judge Webster, and Deputy to General Scowcroft, the President's National Security Advisor—a record of outstanding service in these latter categories.

Bob Gates himself has openly admitted that he would do some things differently if he could do them over. We can all appreciate that. Ours is not a society that forever holds a person's mistakes against him or her.

After watching and working with Bob Gates as Chairman of this Committee for over five years, I believe that he has matured, has grown, and is ready to face the challenges ahead and address the concerns of the people he will lead. This is my own personal judgment based upon my own personal experience and regular professional meetings under my obligations as Chairman of this Committee with this nominee. And one I hope my colleagues will consider.